

OIL SEARCH PNG INVESTOR SITE TOUR



25 - 29 November 2019

OIL SEARCH LIMITED | ARBN 055 079 868 | ASX: OSH | PNGX: OSH | US ADR: OISHY
www.oilsearch.com



DISCLAIMER

While every effort is made to provide accurate and complete information, Oil Search Limited does not warrant that the information in this presentation is free from errors or omissions or is suitable for its intended use. Subject to any terms implied by law which cannot be excluded, Oil Search Limited accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in information in this presentation. All information in this presentation is subject to change without notice.

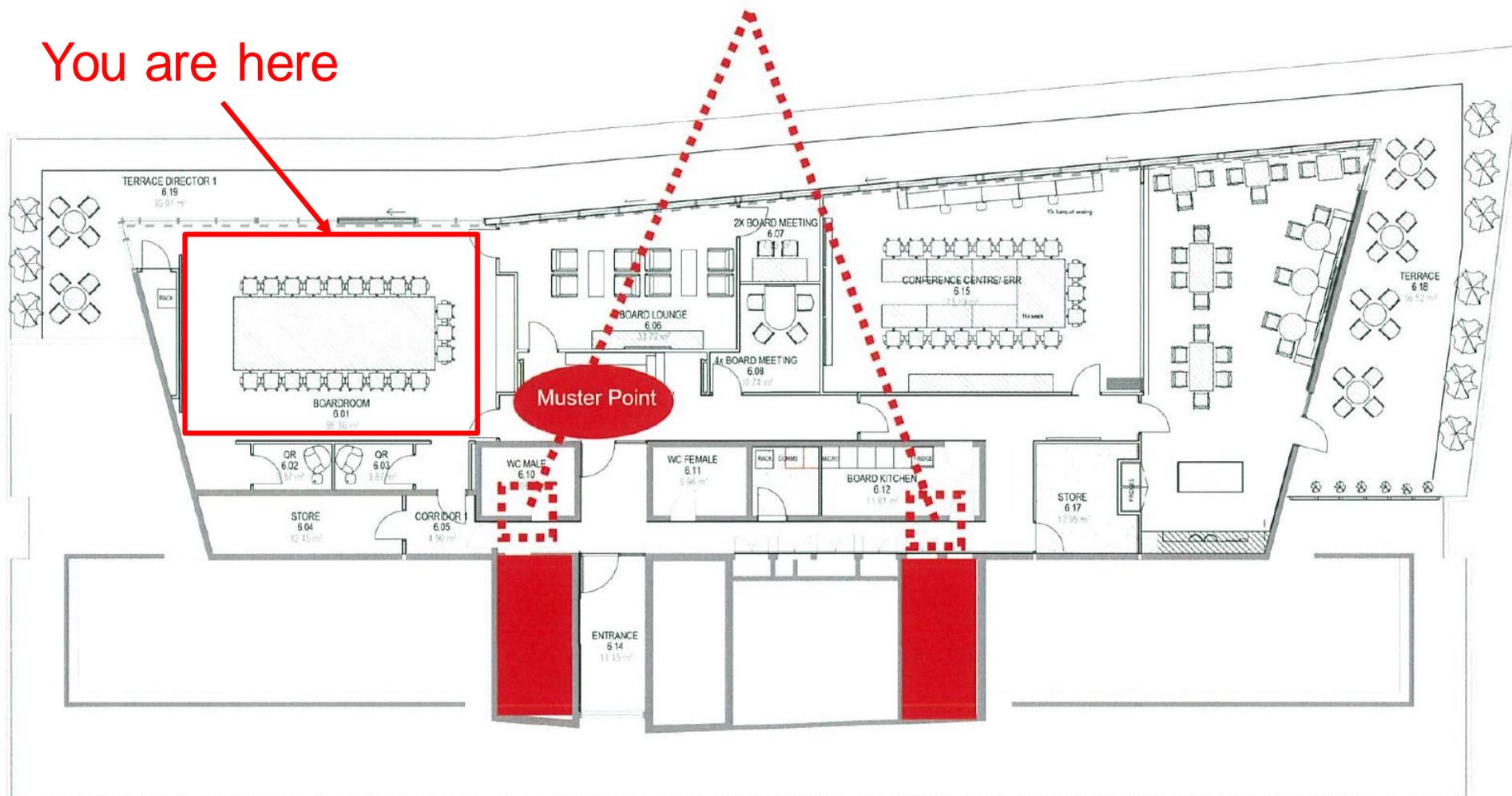
This presentation also contains forward-looking statements which are subject to particular risks associated with the oil and gas industry. Oil Search Limited believes there are reasonable grounds for the expectations on which the statements are based. However actual outcomes could differ materially due to a range of factors including oil and gas prices, demand for oil, currency fluctuations, drilling results, field performance, the timing of well work-overs and field development, reserves depletion, progress on gas commercialisation and fiscal and other government issues and approvals.



EMERGENCY EVACUATION

Emergency Exits

You are here



AGENDA



- ◇ Welcome and Overview
- ◇ PNG Operations Update
- ◇ LNG Expansion
- ◇ Associated Gas Expansion (AGX)
- ◇ PNG Exploration
- ◇ PNG Operating Environment
- ◇ Alaska Update
- ◇ Financial Overview
- ◇ Social Responsibility and Oil Search Foundation
- ◇ Summary

OIL SEARCH PNG SITE TOUR - PROGRAMME



Trip 1

- ◇ Monday 25 November:
 - ◆ Presentation
 - ◆ Dinner at Lamana Hotel, overnight Airways Hotel
- ◇ Tuesday 26 November:
 - ◆ Gobe Footwall well
 - ◆ CPF and AGX Project
 - ◆ Overnight Ambua Lodge
- ◇ Wednesday 27 November:
 - ◆ Hides Gas Conditioning Plant
 - ◆ PNG LNG plant site
 - ◆ Dinner and overnight Airways Hotel



OIL SEARCH PNG SITE TOUR - PROGRAMME



Trip 2

- ◇ Wednesday 27 November:
 - ◆ PNG LNG plant site
 - ◆ Dinner and overnight Airways Hotel
- ◇ Thursday 28 November:
 - ◆ Gobe Footwall well
 - ◆ CPF and AGX Project
 - ◆ Presentation and overnight Ambua Lodge
- ◇ Friday 29 November:
 - ◆ Hides Gas Conditioning Plant

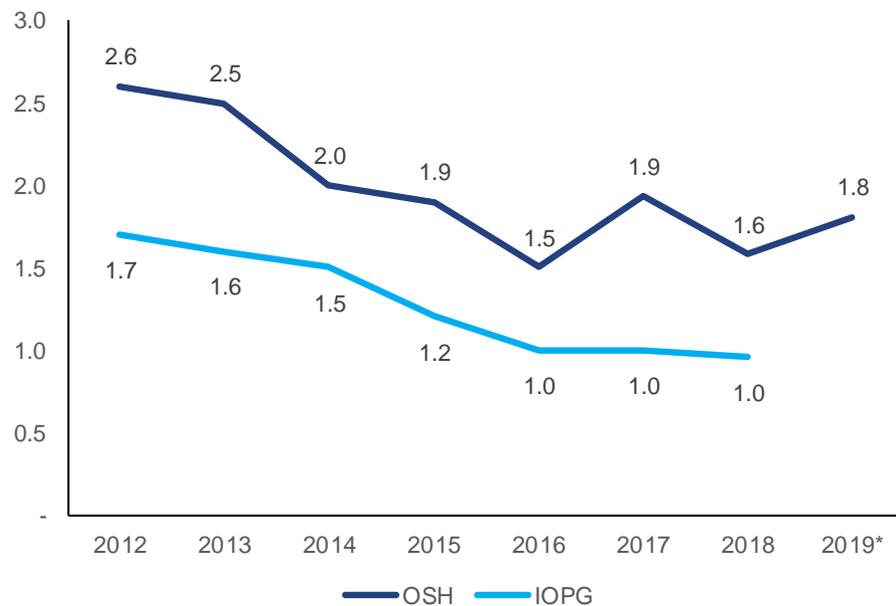


SAFETY OVERVIEW

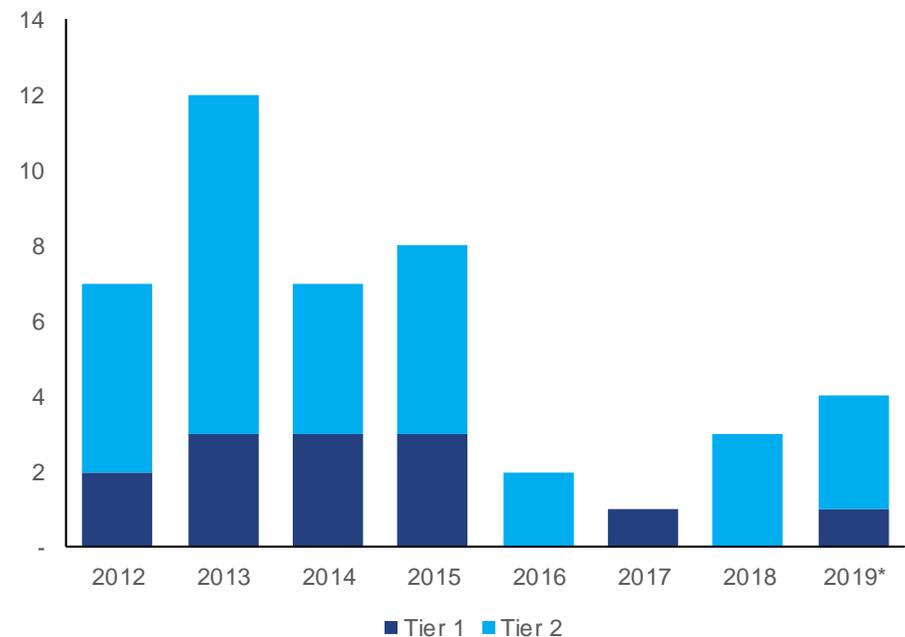
1H19 SAFETY PERFORMANCE DISAPPOINTING, IMPROVEMENTS BEING SEEN IN 2H19

- ◇ TRIR increase due to incidents associated with remote seismic and marine operations within PNG
- ◇ Major focus on Process Safety Management
- ◇ One Tier 1 and three Tier 2 Process Safety events within PNG
- ◇ No TRIRs or Process Safety incidents in Alaska

Total Recordable Incident Rate (per million hours worked)



Tier 1 and 2 Process Safety Events

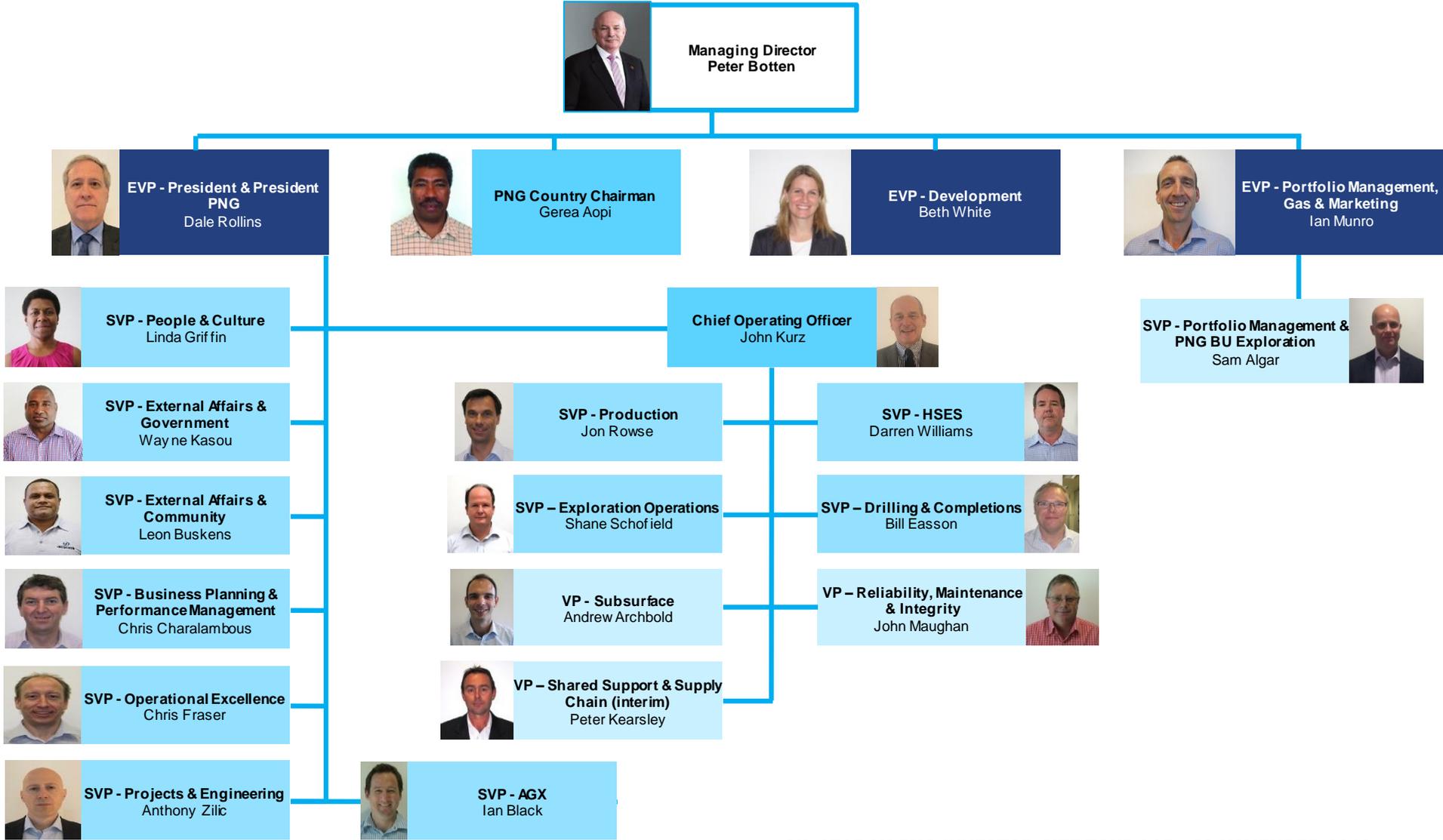


IOGP: Global Oil and Gas Industry Trade Association
 Tier 1: Hydrocarbon release >500kg during 1-hour period
 Tier 2: Hydrocarbon release between 50 – 500kg during 1-hour period

*to 31 October 2019

PNG ORGANISATIONAL CHART

STRENGTHENING ORGANISATION THROUGH NEW HIRES





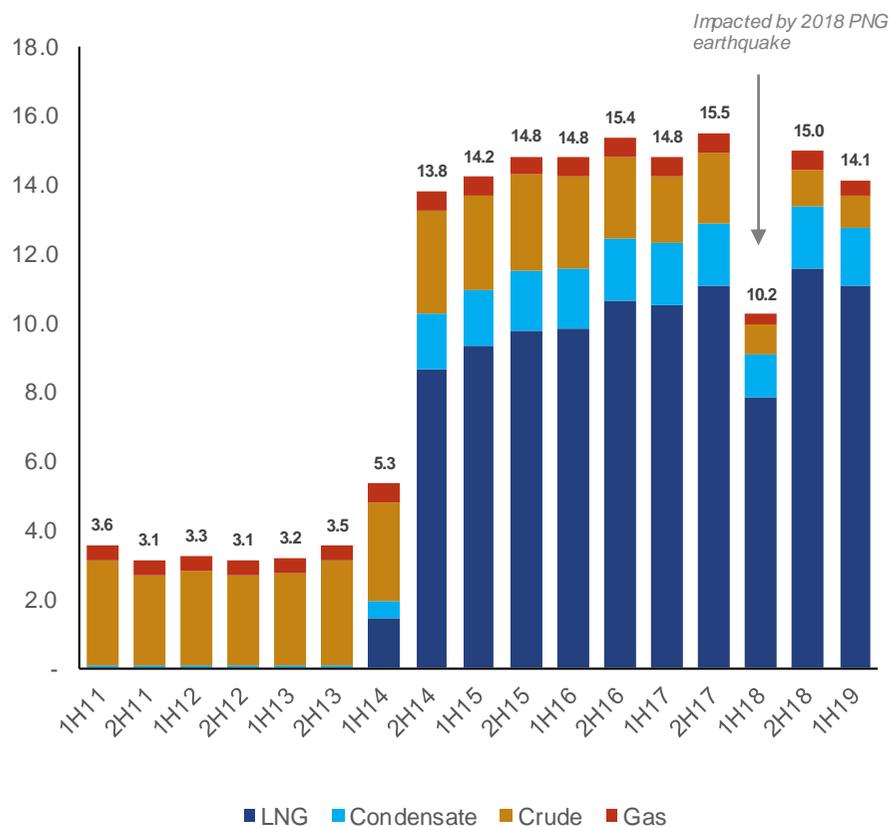
Oil Search

PNG OPERATIONS UPDATE

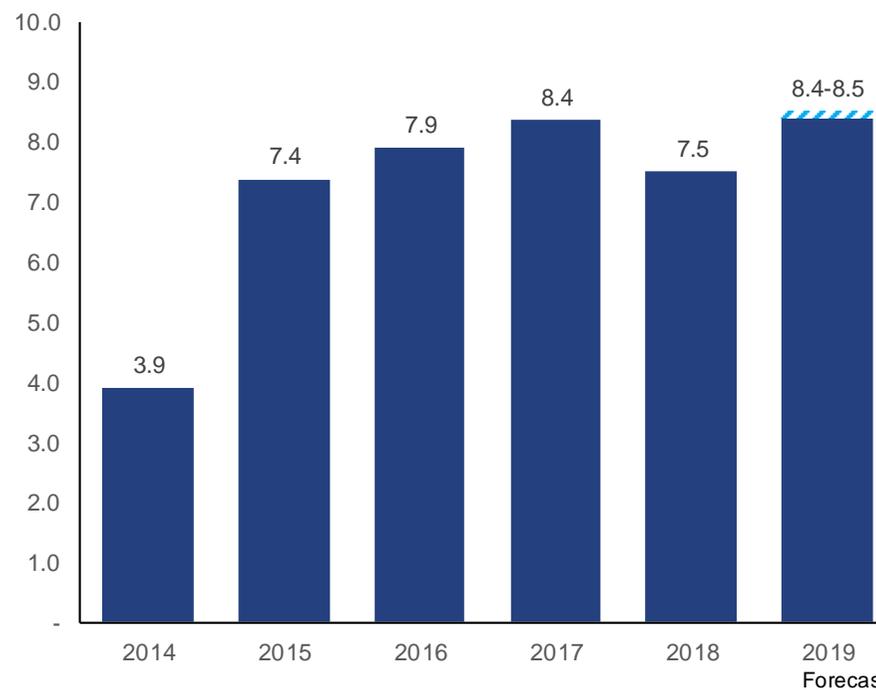


PNG PRODUCTION HISTORY

mmboe OSH Half Year Historical Production

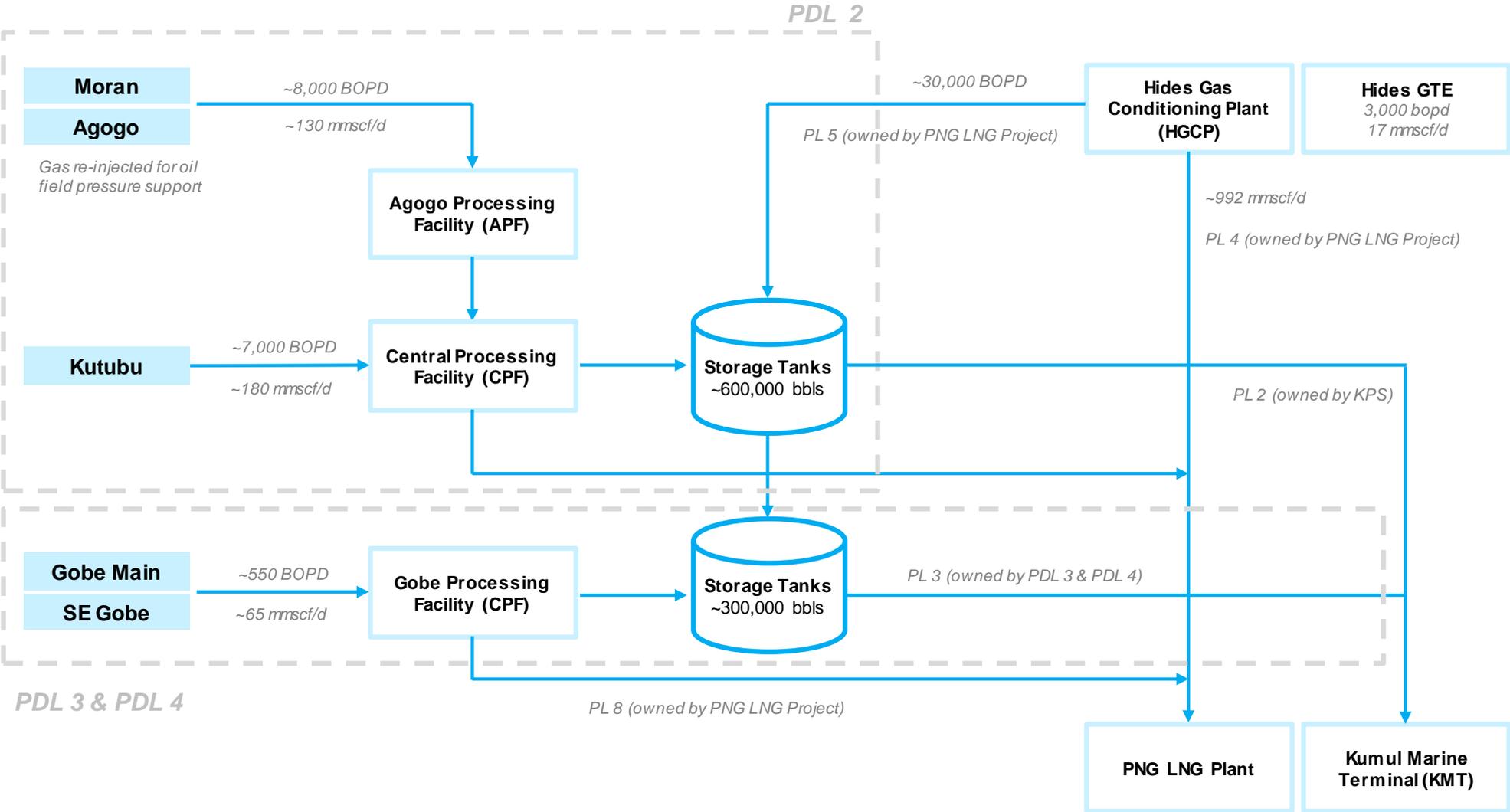


MT PNG LNG Annual Production Rates



OIL SEARCH OIL OPERATIONS

SIMPLIFIED SCHEMATIC



2019 IN PERSPECTIVE

- ◇ Restoration of earthquake damaged infrastructure:
 - ◆ Completion of processing facility repairs and returned to service
 - ◆ Decisions made on key infrastructure:
 - Refinery – rebuild or product import?
 - Mananda bridge damage – repair or demolish?
- ◇ CALM buoy incident:
 - ◆ Completed remediation work ahead of time and without any safety incidents
 - ◆ Minimised disruption to PNG LNG
- ◇ Continue to maximise oil recovery from oil fields prior to gas blowdown:
 - ◆ Matured and achieved joint venture approval of drilling opportunities for 2019 and 2020
 - ◆ Drilled successful Moran 15 and UDT S wells in 2019, expected to result in oil production uplift in 2020
- ◇ Building the future – organisation restructure completed and transition to new management team:
 - ◆ Major change in PNG with flow-on impact on leadership structure
 - ◆ Recruitment and induction of senior executives to key roles



POST-EARTHQUAKE RETURN TO SERVICE

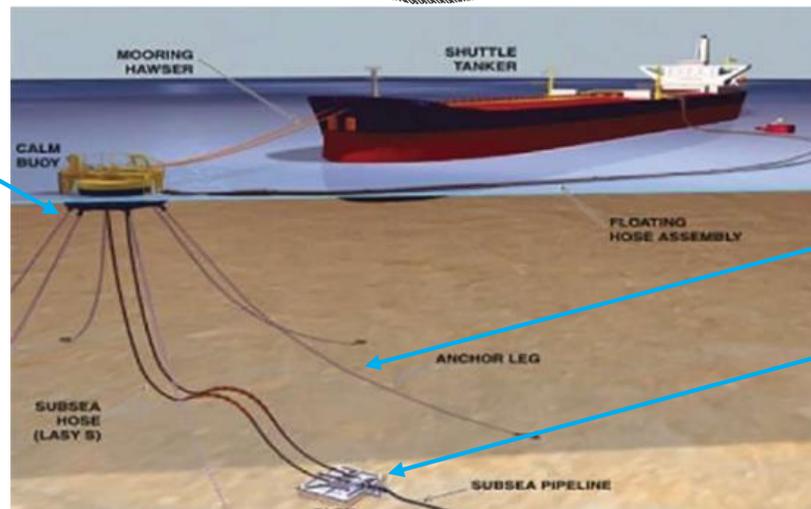
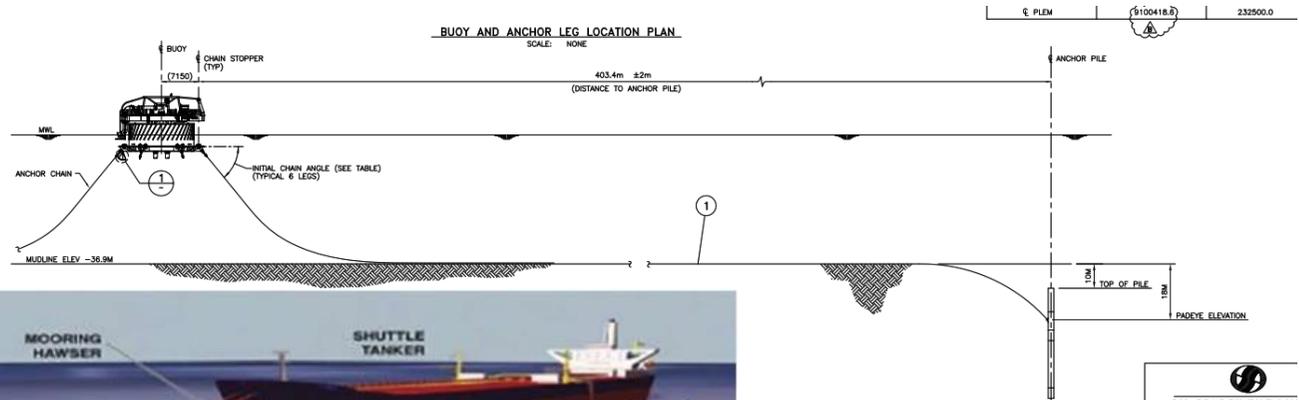
EARTHQUAKE RECOVERY CONTINUING

- ◇ OSH-operated oil production impacted in 2019 by 2018 earthquake-related issues, including delays in return-to-service, unplanned facilities outages requiring repairs and landowner access issues
- ◇ Reconstruction from earthquake continued into 2019
- ◇ Moran:
 - ◆ Repaired one of two pipelines, enabling tie-in of Moran 15 (new well)
 - ◆ Work underway on new pipeline to NW Moran. Scheduled to be online 30-June 2020
- ◇ Agogo Processing Facility:
 - ◆ Replacement of damaged facilities complete
- ◇ Refinery and Mananda Bridge:
 - ◆ Replacement refinery in FEED stage
 - ◆ Mananda bridge repair underway
- ◇ All restoration activity on producing infrastructure expected to be complete by mid-2020



CALM BUOY UPDATE

OPERATIONS BACK TO NORMAL



CALM – Catenary Anchor Leg Mooring

PLEM - Pipe Line End Manifold

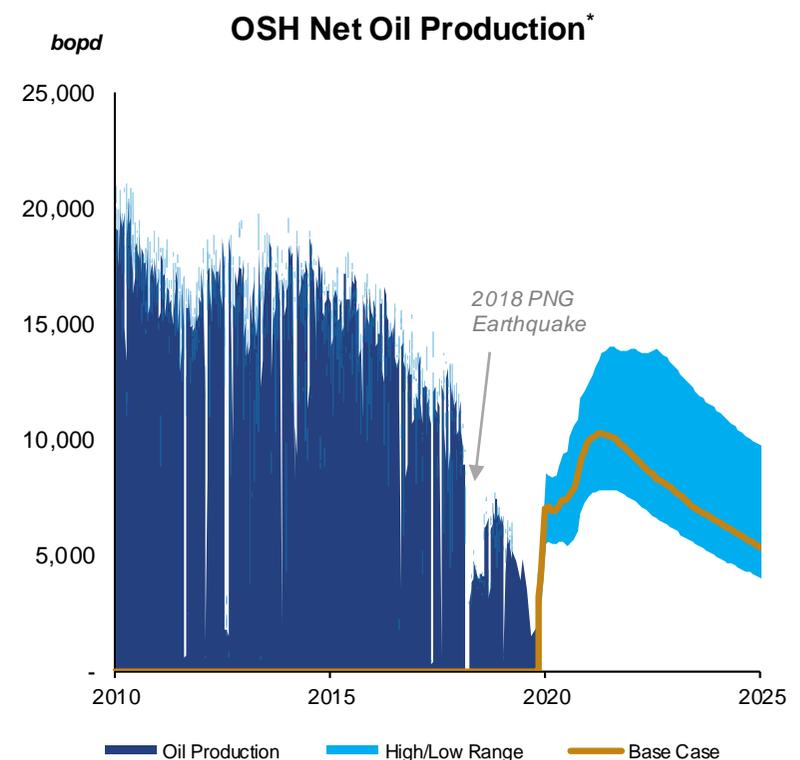
◇ 3Q19 production also impacted by mooring buoy issue:

- ◆ Failure of Leg 6 caused listing of CALM buoy
- ◆ With restricted export capability, oil production curtailed to ensure PNG LNG condensate export continuity
- ◆ Repairs to damaged link and replacement of remaining five chains now complete
- ◆ Investigating cause of link failure

OPTIMISATION OF OIL PRODUCTION

AIM TO INCREASE OIL PRODUCTION FROM MATURE OIL FIELDS AND MAXIMISE RECOVERY PRIOR TO GAS BLOW-DOWN

- ◇ Programme of in-field development wells/workovers is underway:
 - ◆ 2019 drilling success at Moran 15 ST2, UDT 15 and significant workover at Moran will support production in 2020 and beyond
- ◇ Strategic rationale:
 - ◆ Maximise value and oil recovery from existing oil portfolio prior to gas blowdown
 - ◆ Offset mature oil field natural decline
 - ◆ Multiple identified development opportunities remain
 - ◆ Highly value accretive at current oil prices
- ◇ Two development wells and workover and coil tubing programme targeted for 2020, to further support oil and gas production (subject to final budget and JV approval)
- ◇ Focus on safe, stable and reliable plant operations

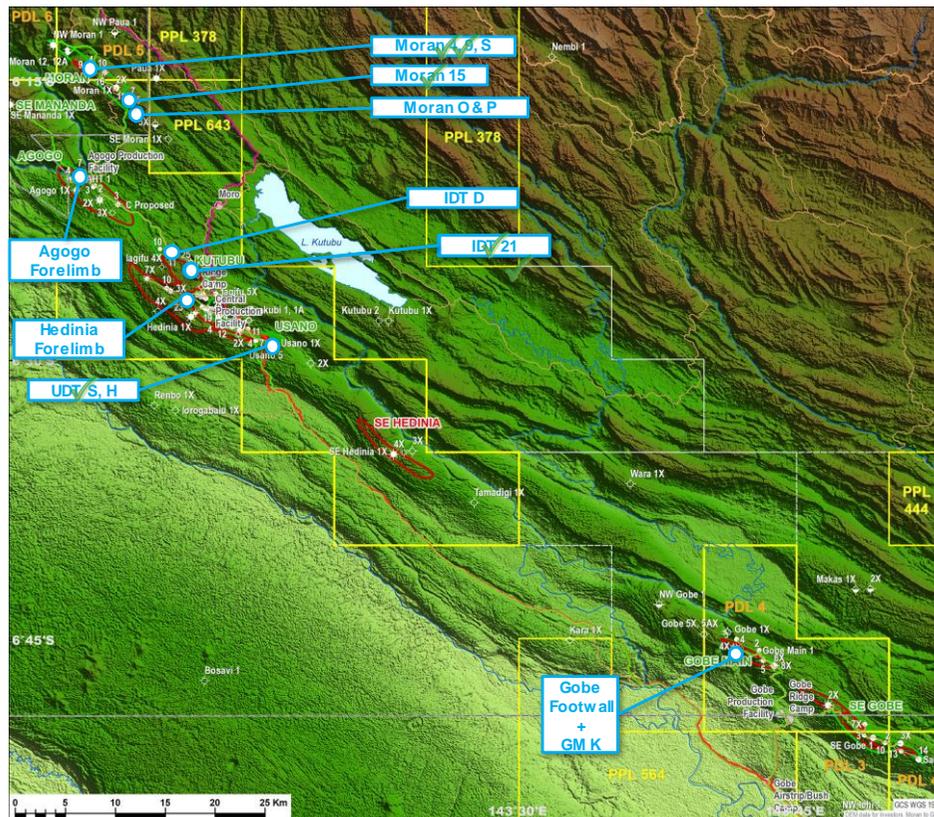


* High case scenario includes high side outcomes of 2020 programme and currently proposed development drilling in 2021-2022
 Subject to changes in work programme schedule



2020 OSH-OPERATED PRODUCTION OPPORTUNITIES

EXTENDING LIFE OF LEGACY OIL ASSETS



◆ Kutubu:

- ◆ IDT D targeting undrained lagifu C sands in I3X8X block:
 - Access new lagifu A & D sands and confirm long term productivity of lagifu sands
 - Opening play for exploitation in other areas (potential identified in Agogo and Hedinia-lagifu)

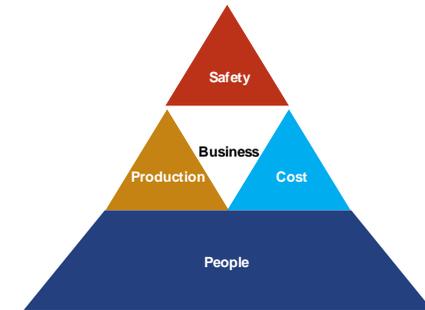
◆ Gobe:

- ◆ Gobe Main K (GM K) gas well, targeting crest of Gobe Main field to supply PNG LNG
- ◆ To be drilled from same well pad as Gobe Footwall exploration well, reducing cost
- ◆ Potential to add gas reserves and extend Gobe field life

OPERATIONAL EFFICIENCY

KEY FOCUS OF 2020

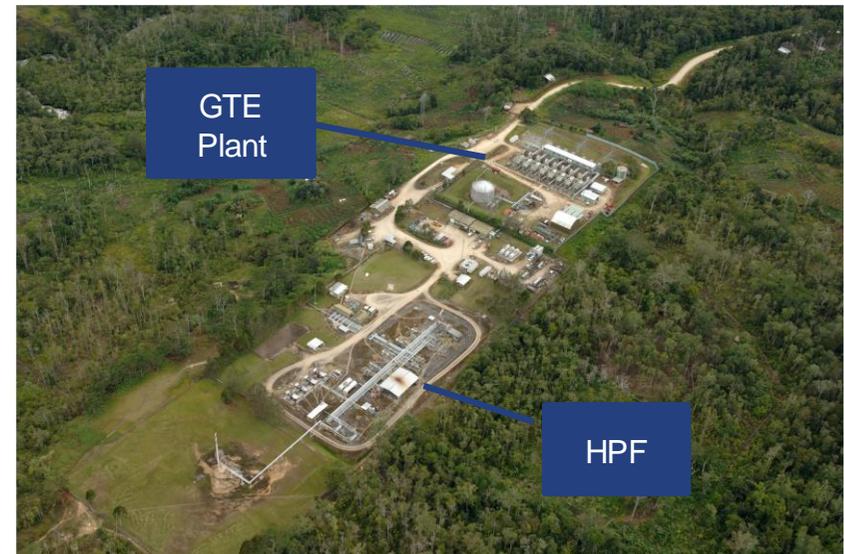
- ◇ Focus on delivering cost reductions and operational efficiencies
- ◇ Cost efficiency:
 - ◆ Assess viability of a Port Moresby ‘Operations Centre’
 - ◆ Contractor performance management
- ◇ Operational excellence underway – ‘Nambawan Program’:
 - ◆ Focus on delivering high gain process improvements in compressor uptime and supply chain
 - ◆ Focus on lifting bar on reliability and integrity management
 - ◆ Leadership capability development:
 - Senior Leaders’ standard work and area transformation
 - ◆ Embed enhanced ‘Integrated Business Management’ and planning practices



HIDES GAS TO ELECTRICITY (GTE)

RELIABLE PRODUCTION FROM HIDES PRODUCTION FACILITY (HPF) SINCE 1991

- ◇ Hides Production Facility (HPF), 100% owned and operated by OSH, supplies gas to Barrick-operated Porgera Joint Venture:
 - ◆ OSH purchases gas from two wells in PDL 1 from PDL 1 JV
 - ◆ Gas processed at OSH-operated gas conditioning plant (HPF) located in Tagari River Valley and sold to Porgera-owned GTE plant, located next to HPF
 - ◆ Electricity transmitted to Porgera gold mine by overhead wire
- ◇ Annual sales gas of ~5.0 bcf plus ~100,000 bbl condensate for local sales/trucked to PNG LNG Hides plant
- ◇ Excellent facility reliability, 100% PNG staff
- ◇ Current GSA expires in 2021, negotiations underway on extending sales contract

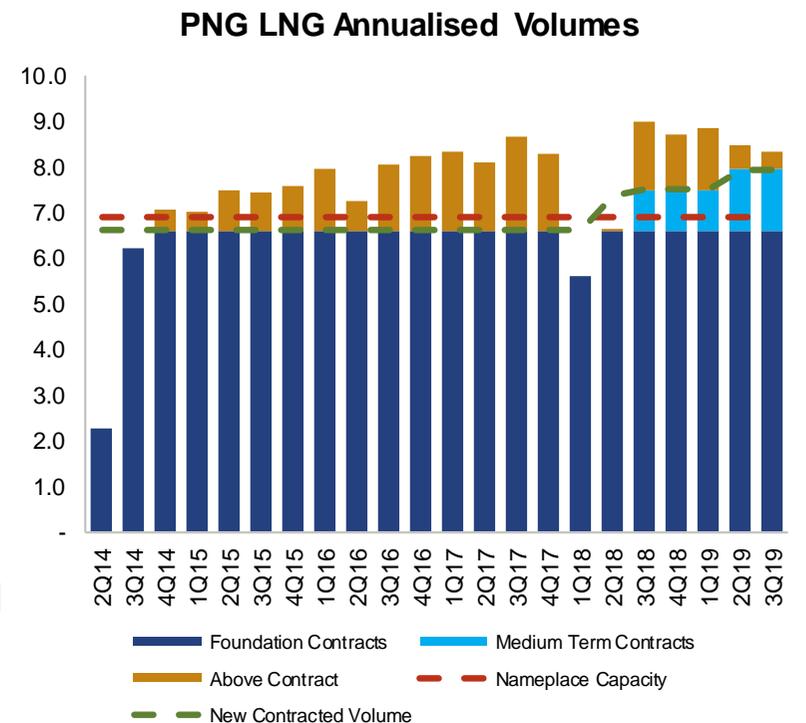




PNG LNG PROJECT UPDATE

CONSISTENT OUTPERFORMANCE

- ◇ PNG LNG produced at gross annualised rate of 8.5 MT for nine months to end Sept '19, despite being offline for 13 days in 2Q for scheduled maintenance and impact of damage to liquids mooring system in 3Q:
 - ◆ ~23% above nameplate capacity (6.9 MTPA)
 - ◆ Achieved rate of 9.0 MTPA in July 2019
- ◇ OSH-operated contribution to PNG LNG:
 - ◆ OSH's associated gas fields (Kutubu, Moran & Gobe fields) to contribute ~20% of PNG LNG gas over Project life
 - ◆ Kutubu, Gobe Main and SEG (3rd party supply) contributed 12% of PNG LNG gas to end 3Q19
- ◇ 2020 PNG LNG production expected to be impacted by scheduled turbine maintenance
- ◇ Lower LNG volumes expected to be offset by higher oil production in 2020
- ◇ Full 2020 production guidance to be provided in 4Q19 release

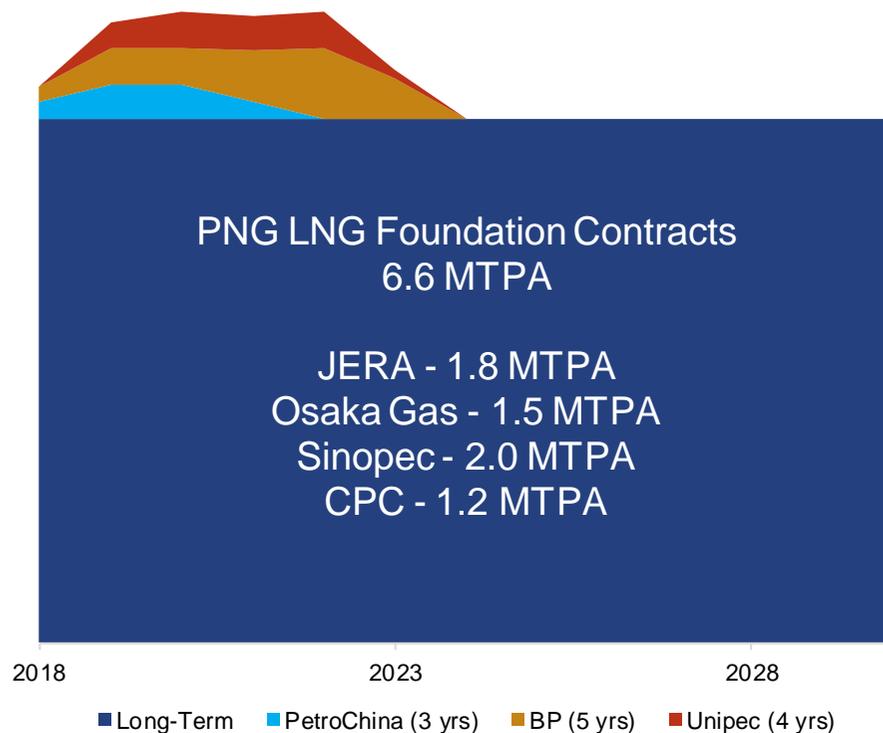




7.5 MTPA OF PNG LNG PRODUCTION CONTRACTED

MIX OF LONG AND MEDIUM TERM CONTRACTUAL COMMITMENTS

PNG LNG Contractual Commitments



- ◇ 7.9 MTPA of PNG LNG production contracted under long and medium-term agreements:
 - ◇ 6.6 MTPA under 20 year contracts with JERA, Osaka Gas, Sinopec and CPC commencing in 2014
 - ◇ Three year SPA with PetroChina for ~0.45 MTPA, commencing July 2018
 - ◇ Five year SPA with BP for ~0.45 MTPA over first three years, followed by ~0.90 MTPA for two years, commencing August 2018
 - ◇ Four year SPA with Unipecc for 0.45 MTPA, commencing April 2019
- ◇ Remaining volumes sold on spot market



Oil Search

LNG EXPANSION



LNG EXPANSION OVERVIEW

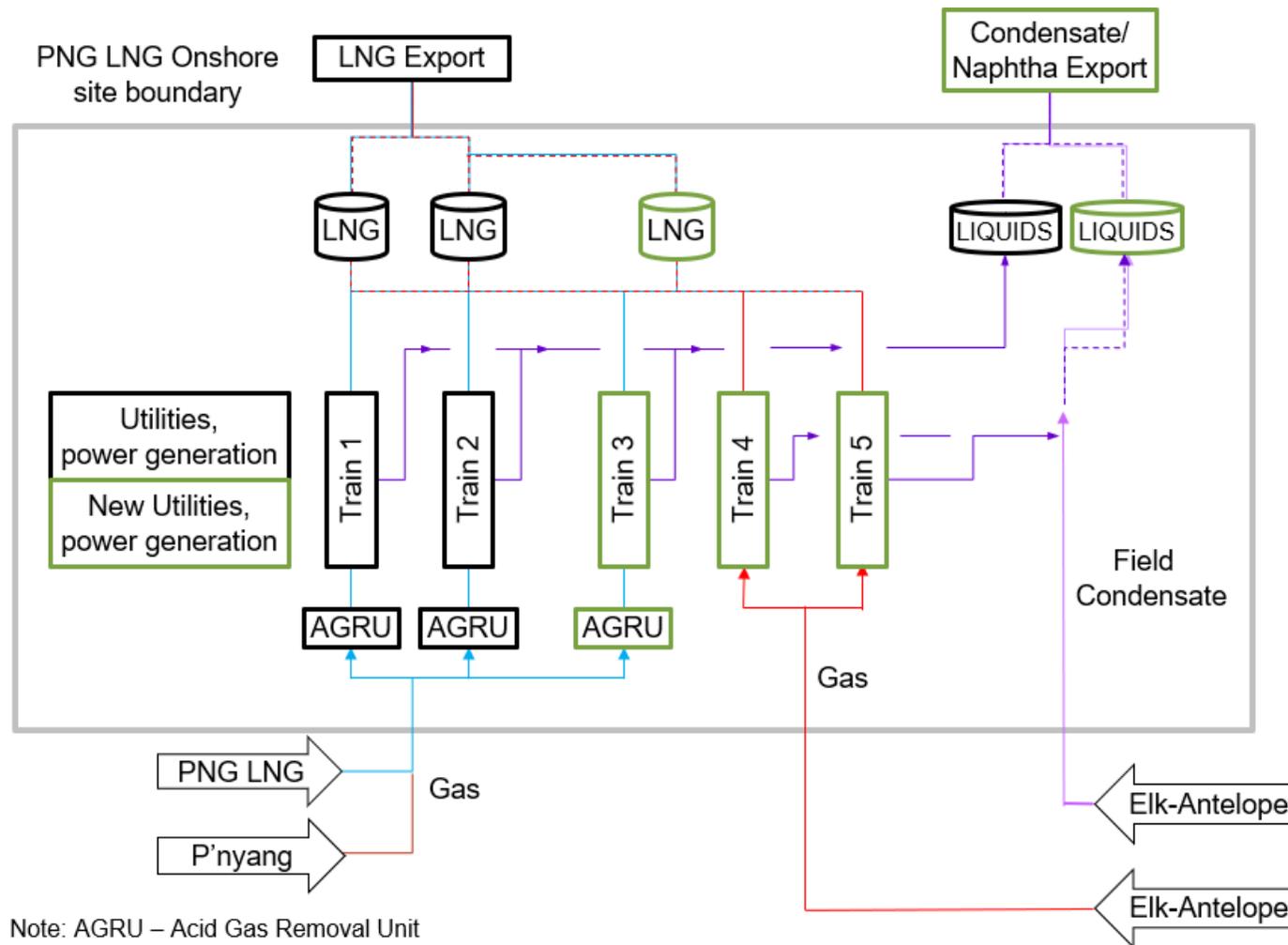
WORLD CLASS PROJECT POISED TO PROCEED INTO FEED

- ◇ In early 2018, PNG LNG and Papua LNG joint ventures agreed an integrated development concept for construction of ~8 MTPA of new LNG capacity in PNG:
 - ◆ Three new ~2.7 MTPA trains, located within PNG LNG plant site, operated by ExxonMobil
 - ◆ Papua LNG (operated by Total) to supply two trains (~5.4 MTPA) from Elk and Antelope fields in onshore Gulf
 - ◆ PNG LNG (accelerated gas delivery from associated oil fields) and P'nyang in the Highlands (operated by ExxonMobil) to supply one train (~2.7 MTPA)
- ◇ Brownfield downstream development will deliver material capital and operating cost synergies (shared between PNG LNG and Papua LNG)
- ◇ Ready to enter FEED phase, subject to completion of P'nyang Gas Agreement
- ◇ Targeting first LNG in 2H24





PROPOSED CONFIGURATION AT PNG LNG PLANT SITE



- Existing PNG LNG facilities
- Proposed new infrastructure

NEARING COMPLETION OF FISCAL AGREEMENTS



PAPUA GAS AGREEMENT VALIDATED, P'NYANG GAS AGREEMENT ADVANCING WITH STATE

- ◇ PNG Government validated Papua Gas Agreement (originally signed in April 2019) in September
- ◇ Agreement delivers range of new benefits to landowners and the Government, increasing value to the State through:
 - ◆ 5% Domestic Market Obligation (DMO)
 - ◆ 2% production levy
 - ◆ Deferred mechanism for State's payment of past costs
 - ◆ Comprehensive National Content Plan to support local workforce development – to be finalised prior to FID
- ◇ Negotiations underway with State on P'nyang Gas Agreement
- ◇ Ready to enter FEED phase, contingent on completion of P'nyang Gas Agreement:
 - ◆ Downstream and Papua upstream pre-FEED complete, ready to award FEED contracts
 - ◆ Commercial agreements on integration of Papua LNG and PNG LNG essentially finalised
 - ◆ Signed P'nyang Letter of Intent (LOI) with Santos, SPA discussions commenced
 - ◆ Required agreements expected to be executed on FEED entry



ASSOCIATED GAS EXPANSION (AGX)

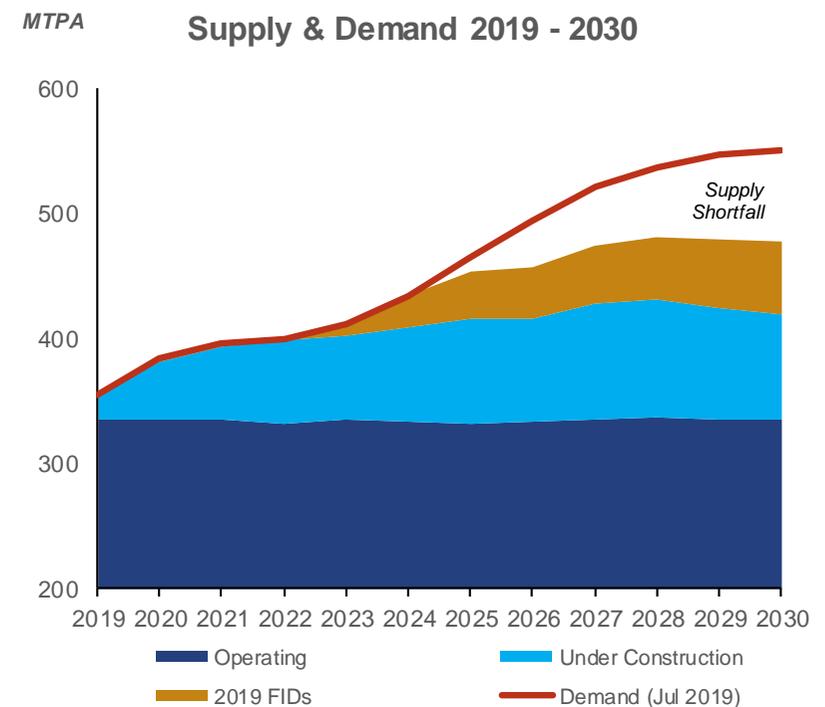
TARGETING FID IN 2021 AND FIRST GAS DELIVERIES IN 2024

- ◇ Comprises accelerating gas from Associated Gas Fields to support PNG LNG expansion:
 - ◆ Original PNG LNG Project development plan included scope to develop gas in Agogo and Moran fields
 - ◆ Requires APF modifications and construction of new pipeline connecting APF to PNG LNG pipeline
 - ◆ AGX development case increases gas export from ~300 mmscf/d to ~500 mmscf/d through APF and CPF
- ◇ Supports PNG LNG expansion:
 - ◆ Provides low cost gas to front end PNG LNG/P'nyang expansion train
 - ◆ Capital-efficient and has low execution and resource risk
- ◇ Recertified NSAI 2016 gas reserves within PDL 2 and Moran underpins higher gas production rates
- ◇ Development costs funded by PNG LNG Project
- ◇ Technical work progressing to support FEED entry, with main FEED contract expected to be awarded 1Q20

GLOBAL LNG SUPPLY SHORTFALL EMERGING

PNG EXPANSION TRAINS TARGETING TO MEET MID-2020 SUPPLY SHORTFALL

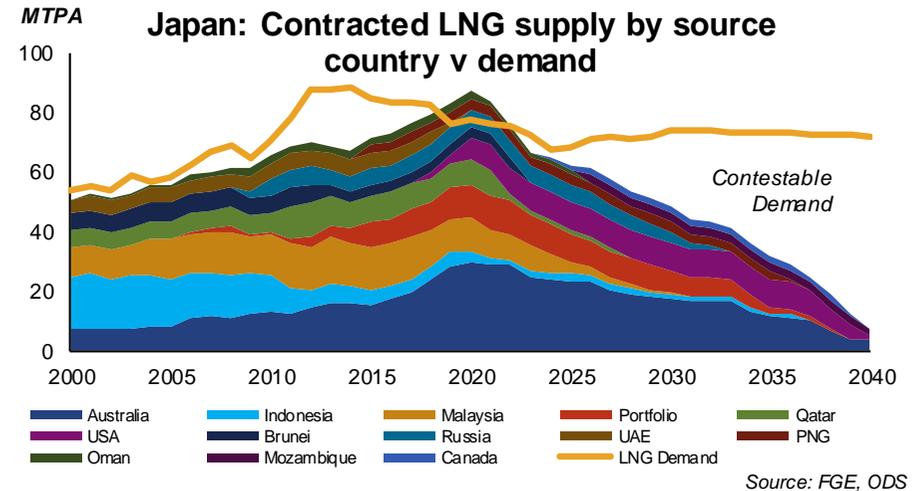
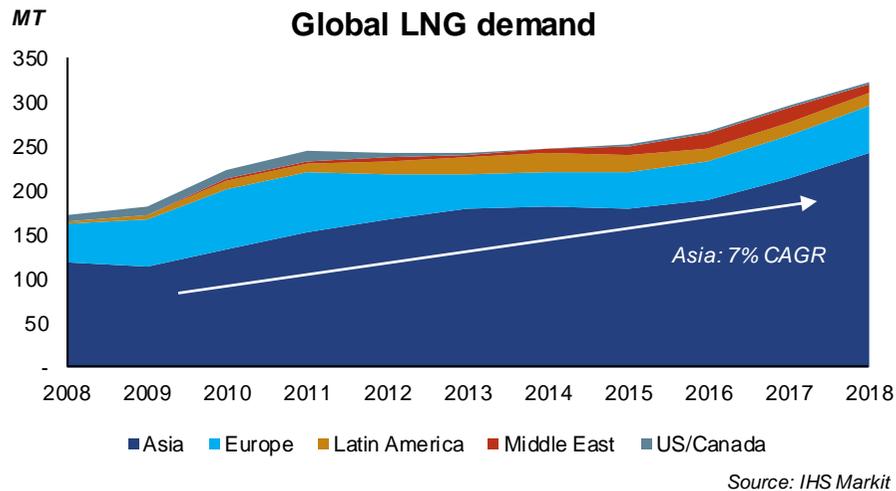
- ◇ 4.6% global LNG demand CAGR forecast to 2030:
 - ◆ Driven by government policies, with NE Asian markets increasingly prioritising gas and renewables over coal and nuclear
- ◇ ~80 MTPA of uncontracted demand in 2025 (demand growth and expiring contracts):
 - ◆ 65 MTPA of new LNG sanctioned in 2019
 - ◆ However, further projects still need to take FID by 2020/21 to satisfy 2024/26 supply shortfall
 - ◆ Traditional NE Asian buyers seeking LNG source diversification, with ~60 MTPA of contracts expiring by 2025
- ◇ By 2030, further ~70 MTPA of new supply is required
- ◇ Despite competitive global market with many LNG projects mooted, OSH well positioned to secure LT contracts once in FEED



Source: Data interpreted from IHS Markit

ASIAN LNG GROWTH CONTINUES

ASIA THE KEY DRIVER OF GLOBAL LNG DEMAND

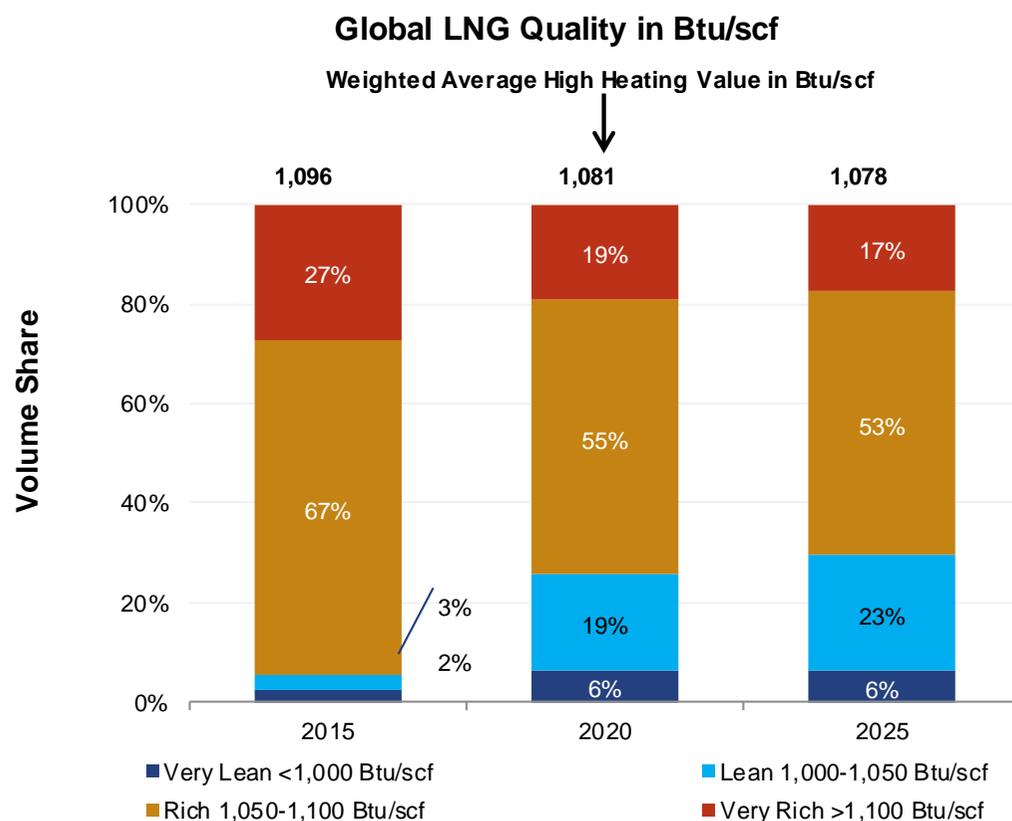


- ◇ Asian LNG demand CAGR of 7% over last 10 years
- ◇ Asian demand expected to continue to rise through 2020s as domestic production declines and governments target low carbon emitting electricity generation
- ◇ Legacy projects such as North West Shelf, Brunei LNG and Malaysia LNG will reach end of project life through early 2020s

- ◇ Japan is key market for OSH volumes:
 - ◆ World’s largest LNG market, importing ~83 MT in 2018
 - ◆ Material contracts expiring from 2022
 - ◆ Focus by buyers to diversify their supply portfolios
 - ◆ PNG currently only 4% of Japan’s LNG supply

DECLINING SUPPLY OF RICH LNG

PNG'S HIGH CALORIFIC VALUE (CV) GAS



Source: FGE

- ◇ High CV gas is becoming diluted through:
 - ◇ Declining legacy projects in Australia and SE Asia
 - ◇ Introduction of lean and very lean sources from new Australian, Russian and US projects
- ◇ By 2020, global supply of very rich (high CV) is expected to fall to 19% (2015: 27%)
- ◇ LNG from PNG is in Very Rich category, good specification for gas reticulation or blending with lower CV gas

OSH MARKETING

PNG WELL POSITIONED TO DELIVER INTO NEIGHBOURING REGION

- ◇ Strong LNG marketing team with key relationships among end users, IOCs and traders
- ◇ Marketing underway for OSH's ~1.8 MTPA equity share of LNG from LNG expansion projects
- ◇ Firm interest from range of customers due to OSH's value proposition:
 - ◆ Very Rich LNG
 - ◆ Point-to-Point Sales (not a portfolio approach)
 - ◆ Destination flexibility
 - ◆ Proximity to buyers (~8 days on a laden voyage)
 - ◆ Not impacted by shipping pinch-points (e.g. Panama Canal, Straits of Hormuz)
- ◇ Targeting HOAs with buyers within three months of FEED entry



**Close proximity to North Asian customers
(laden voyage to Japan ~8 Days)**



Oil Search

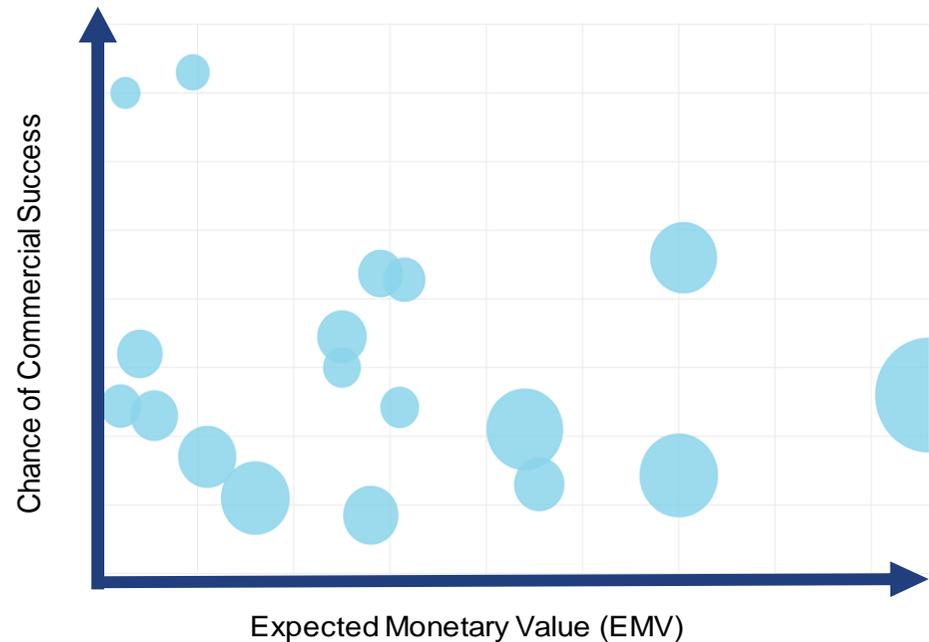
PNG EXPLORATION



EXPLORATION PORTFOLIO

PROVIDES FLEXIBLE, LONG TERM, HIGH VALUE GROWTH AT LOW COST

- ◇ OSH’s PNG portfolio contains 11 billion boe gross unrisked exploration potential with net EMV of > US\$1 billion
- ◇ 80 prospects in portfolio; plot shows example of prospects ranked according to value and chance of commercial success
- ◇ Low risk relative to other global exploration activities, as extension of existing proven plays
- ◇ Risked finding cost estimated at ~US\$1.5/boe*
- ◇ Variety of options to choose from: multi-hundred million barrel/multi-tcf high value options with higher risk to moderate value very low risk options near to existing infrastructure
- ◇ Near term drilling decisions driven by capital allocation and synergies with existing infrastructure. No near term commitment exploration wells



* Risked Finding Cost = Net Drilling Cost/Net Risked boe. Average over multi-year programme

PNG EXPLORATION PORTFOLIO

OFFERS LONG TERM GROWTH POTENTIAL AT LOW COST

1) HIGHLANDS GAS – LNG Infill, Expansion & Back-fill

- ◇ Muruk 2 successful 11km step out from Muruk 1:
 - ◆ Updated resource statement in early 2020
 - ◆ Additional seismic in 1H20 to help further constrain Muruk volumes and define adjacent large prospect
- ◇ Hides NE Footwall exploration opportunity beneath Hides offers material volume with opportunity to immediately produce

2) EASTERN FOLD BELT – LNG Expansion &/or Standalone Oil

- ◇ Provisional seismic interpretation completed and undergoing evaluation:
 - ◆ Additional seismic in late 2020/21 ahead of 2021-23 drilling

3) NEAR-OIL FIELD EXPLORATION – Near-term oil & gas

- ◇ High value, low cost, tie-ins to existing infrastructure (e.g. Gobe Footwall)



4) Deepwater

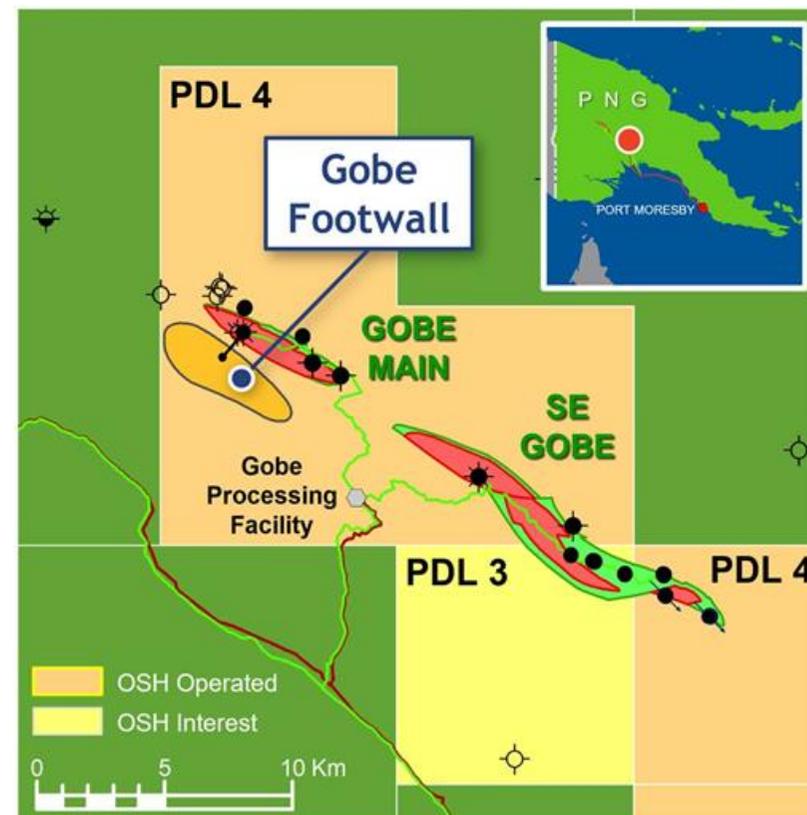
- ◇ Exploration well expected to be drilled by Total in PPL 576 in 2020 has the potential to de-risk prospects in adjacent OSH deep-water blocks



NEAR-FIELD EXPLORATION DRILLING

GOBE FOOTWALL - RATIONALE

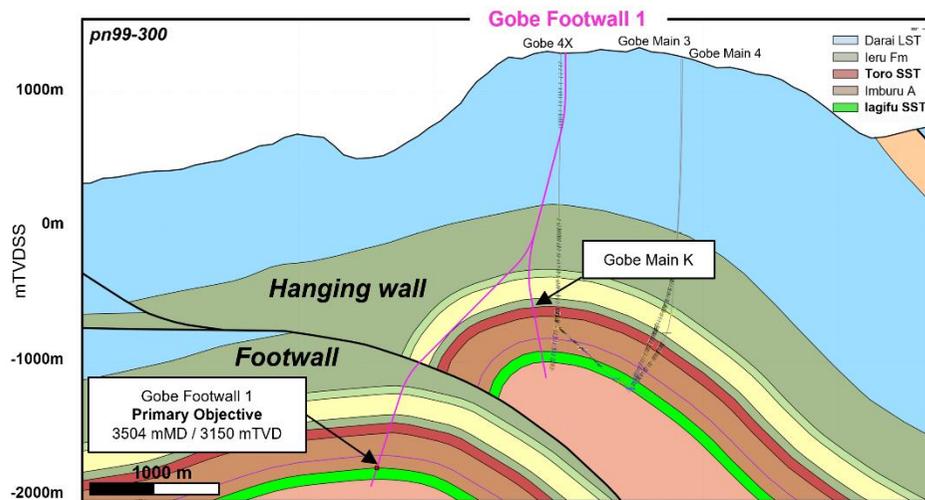
- ◇ Gobe Footwall exploration well spudded 12 November
- ◇ Value creation with limited capital outlay, drilled within existing operated field and from existing well pad in PDL 4
- ◇ Potential to add reserves and extend field life, deferring abandonment
- ◇ Operated by OSH (65.5%), with partners ExxonMobil (14.5%) and JX Nippon (20%)
- ◇ Net dry hole well cost of US\$30-40 million
- ◇ Further cost savings may be achieved with potential back-to-back drilling of Gobe gas production well (GMK)





GOBE – COST EFFECTIVE EXPLORATION AND PRODUCTION

GOBE FOOTWALL AND GOBE MAIN K WELLS



- ◆ Gobe Footwall 1 well is a deviated well, avoiding existing Gobe Field reservoirs to penetrate deeper footwall objective beneath and to west of field
- ◆ Iagifu and Toro reservoirs are expected:
 - ◆ Iagifu is main producing reservoir in Gobe field
 - ◆ Toro is present in Gobe but contains water
- ◆ Gobe Main K well being considered as a gas production well, to be drilled into crest of Gobe Main:
 - ◆ Low cost production well
 - ◆ Adds reserves and extends Gobe field life to ~2026
 - ◆ In event of failure of Gobe Footwall well, Gobe Main K could be drilled as side-track to reduce costs



Oil Search

NORTH SLOPE, ALASKA



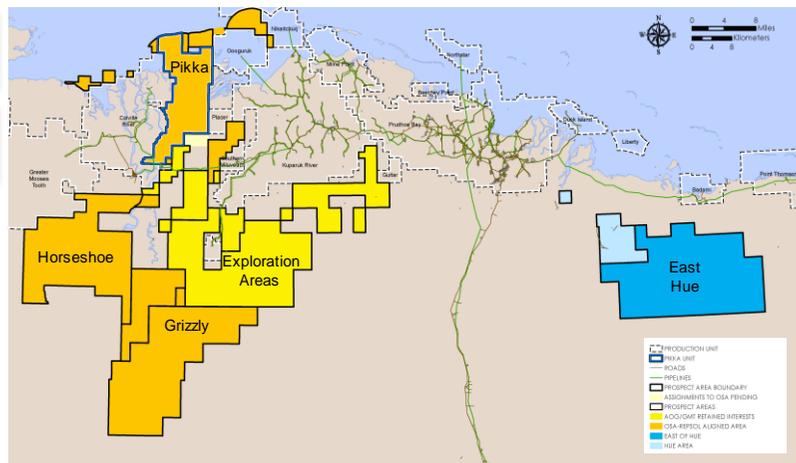
OIL SEARCH ALASKA

MAJOR PROGRESS ON ALL AREAS SINCE ACQUISITION

Pikka Development

Appraisal

- Positive 2019 drilling
- Well data trades
- 3D seismic reprocessing
- New models
- Independent reviews
- Resources finalised ahead of FEED



Exploration & New Ventures

Exploration

- >20 prospects with gross potential >1.2 billion barrels (best estimate, unrisks)*
- Near-term exploration focused on Pikka tie-ins
- >500km² 3D survey
- >1,200km² 3D mega seismic reprocessing

Development

- FEED entry 4Q19 – 1Q20
- Phased Development
 - 2022 EPS
 - 2024 Main
- Value Engineering Initiatives
- ROD received, key land agreements advanced
- Early civil works, engineering underway
- Development rigs secured

Commercial

- Partner alignment – equity and agreements
- Exercised Armstrong/GMT Option
- Partial divestment process underway, adviser appointed, expected to be completed mid-2020
- Cooperation with adjacent operators well advanced
- Material local contracting strategy
- Long term land access advancing with focus on community sustainability & benefits

New Ventures

- Farmed in to 69 leases
- Acquired ~220,000 acres in State Lease Sale
- Alaska regional potential review to drive 5+ year strategy

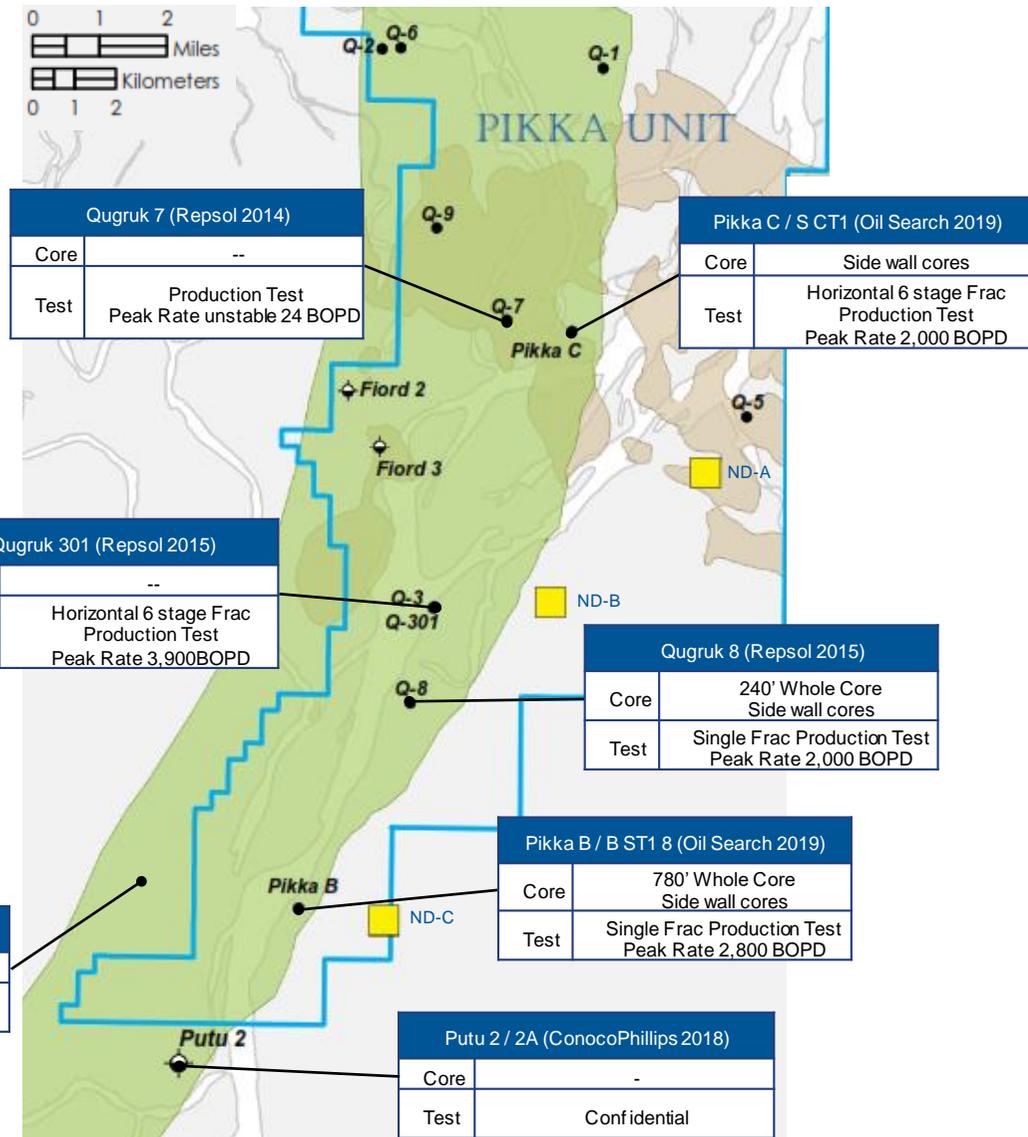
*The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.



CORE PIKKA DEVELOPMENT AREA APPRAISAL COMPLETE

20 PENETRATIONS, SIX WELLS WITH FLOW TEST DATA, FOUR WELLS WITH CORES

- ◆ Pikka B confirmed strong production potential from southern drill site
- ◆ Pikka C proved northern commercial extent
- ◆ ConocoPhillips announced positive results from Putu and CD-4 area well drilled in Nanushuk (Narwhal)
- ◆ All data fully integrated into detailed dynamic and static models
- ◆ Independent resource certification underway
- ◆ Development drilling to commence January 2021 once gravel roads are operational





PIKKA UNIT DEVELOPMENT PLAN FINE-TUNED, EPS ADDED

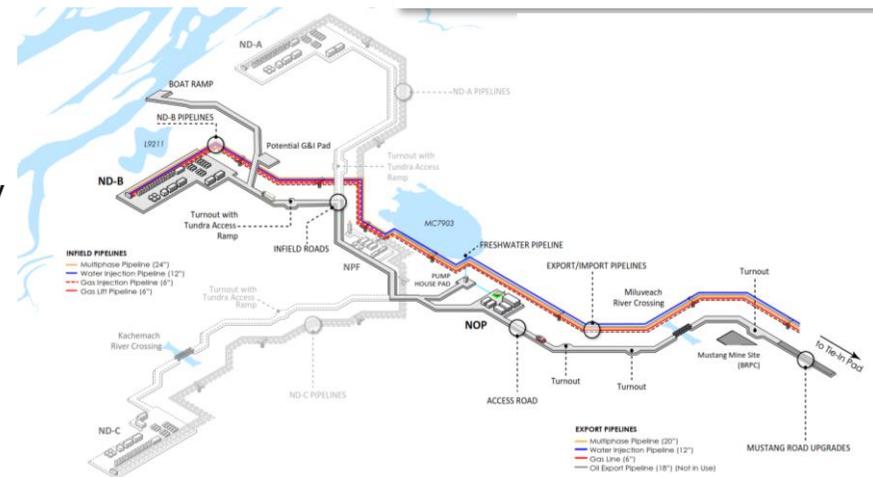
Objectives

- ◇ Produce through Early Production System (EPS) from ND-B (core development area), targeting first oil in 2022
- ◇ Maximise production rate for full field development with early learnings
- ◇ Generate early cash flow
- ◇ Minimise incremental investment by using full field development facilities
- ◇ Full field development to follow, onstream 2024

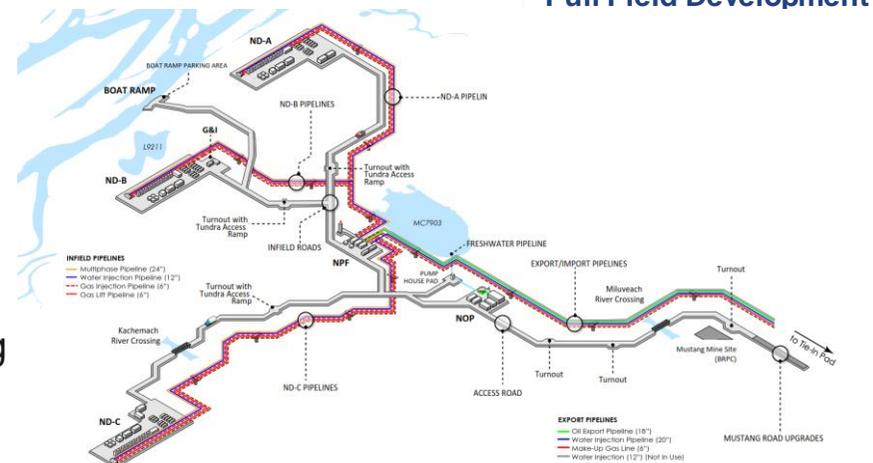
Status

- ◇ Early Works programme in 2019/2020 winter season (gravel roads/pads) enables development drilling to commence on ND-B January 2021
- ◇ Selection of EPS option:
 - ◆ Engaged with adjacent operator for possible oil processing agreement
 - ◆ Investigating other options such as temporary processing facilities

Early Production System (EPS)



Full Field Development



SCHEDULE TO FIRST OIL

EARLY PRODUCTION IN 2022 FOLLOWED BY MAIN PRODUCTION IN 2024

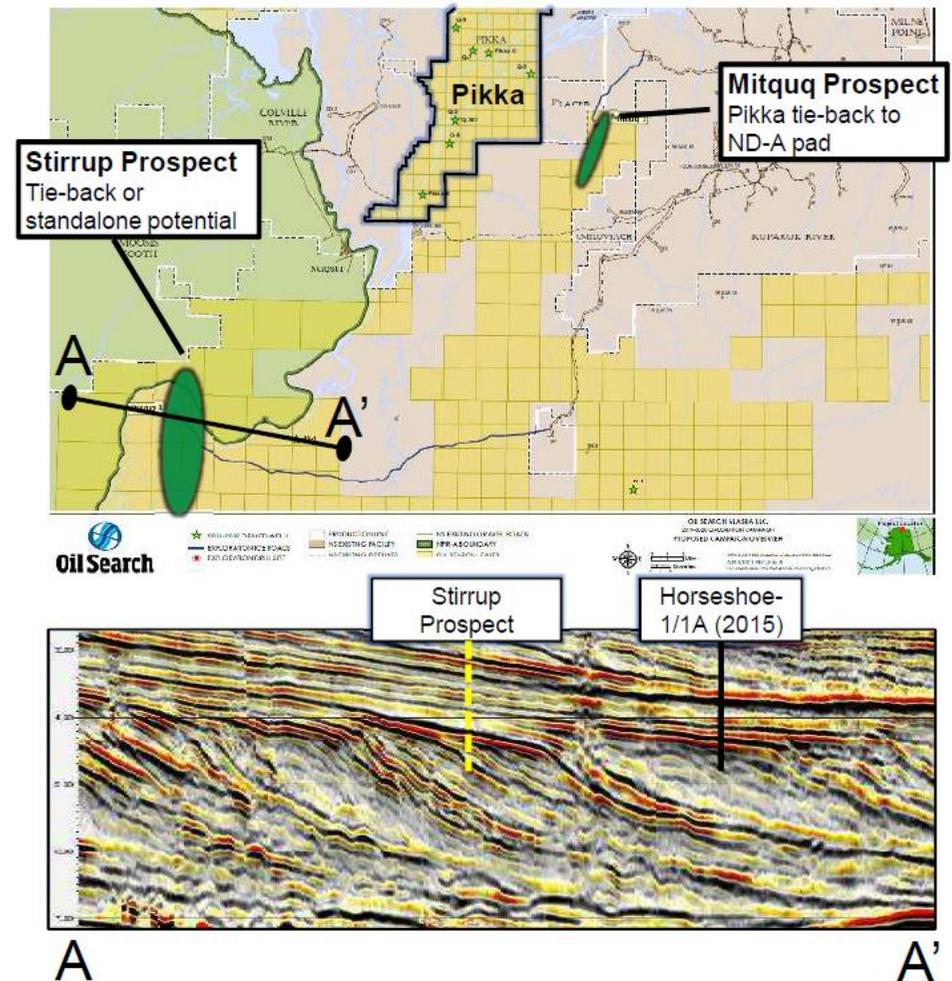


*The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

EXPLORATION – WINTER 2019/20

TWO WELL, HIGH IMPACT PROGRAMME TESTING NANUSHUK ANALOGUES

- ◇ **Pikka East (Mitquq):**
 - ◆ Success will open up an additional Nanushuk trend with potential Pikka tie-back
 - ◆ Location enables tie-in to existing Pikka development, reducing development cost
- ◇ **Horseshoe (Stirrup):**
 - ◆ Adjacent and direct analogue to Horseshoe-1 discovery
 - ◆ If successful, has potential, together with Horseshoe discovery, to underpin multi-hundred million barrel standalone Horseshoe CPF
 - ◆ Multiple adjacent follow-on prospects would further build to value creation of a Horseshoe CPF
- ◇ Many other exploration plays in OSH leases, providing multi-year exploration opportunities





Oil Search

FINANCIAL OVERVIEW



FUNDING

POSITIVE MOMENTUM IN FUNDING GROWTH PROJECTS

- ◇ Liquidity of US\$1.18 billion, comprising:
 - ◆ US\$547 million of cash
 - ◆ US\$636 million of undrawn corporate credit facilities
- ◇ PNG expansion projects funded through 60-70% project financing:
 - ◆ Pathfinder Export Credit Agencies introduced to Papua LNG Project and have confirmed strong appetite to support project financing
 - ◆ PNG LNG Project targeting bank lenders given shorter financing duration, smaller amount required and ability to raise expansion debt tranche under existing PF facility
- ◇ Funding requirements for Pikka Unit development close to finalisation, with funding mechanisms including:
 - ◆ Project financing covering 60-70% of OSH capital costs
 - ◆ Corporate facilities
- ◇ Key consolidated finance metrics forecast to remain comfortably within corporate lender covenants



MAJOR PROJECT FINANCING ACTIVITIES

2019 - 2025

Lender Model	Commence FEED: Papua LNG Downstream (LNG trains) Supporting Projects Alaska (Pikka Development)	ECA & CB engagement	FIDs on: Papua LNG PNG LNG downstream AGX Alaska (Pikka Development)	Construction: - Debt draw down - State financing - Lender compliance - Lender reporting - Completion tests	First LNG shipments First oil EPS (2022)
Commercial/Debt Structure		PIM issuance			
Short-form Term Sheet		Lender due diligence		Ready for Start-up Introduction of hydrocarbons	
Identify ECAs		Lender selection			
Lender consultant RFPs		Long-form debt term sheet		P'nyang FID	
		Bankable LNG SPAs			



Oil Search

PNG OPERATING ENVIRONMENT



PNG POLITICS

PNG POLITICS AND OPERATING ENVIRONMENT INCREASINGLY DYNAMIC

- ◇ PNG's operating environment has become more challenging in the last 12 months
- ◇ Benefits distribution improving but against a backdrop of very challenging economic circumstances
- ◇ Political process remains dynamic. New Prime Minister and new coalition members, various legal challenges continuing
- ◇ Prime Minister's focus to diversify economy and ensure full participation by PNG nationals in resource projects
- ◇ Focus on resource fiscal reform – new Mining Act ready – future reform of O&G regime
- ◇ Continued strong relationships across the political spectrum – more important than ever



PNG LNG ECONOMIC BENEFITS DISTRIBUTION

IMPROVED PROCESSES IN DELIVERING BENEFITS

- ◇ PNG Government has made good process on resolving outstanding landowner beneficiary issues – highly complex process
- ◇ Of 15 licences covering PNG LNG, 13 licences either receiving or close to receiving benefits
- ◇ ~US\$260 million of landowner benefits held in trust, pending completion of landowner identification and verification
- ◇ Continued meaningful contribution to national development through tax credit projects and multiple programmes supporting communities
- ◇ Payment structures for landowner benefits distribution and relevant corporations all in place, dispute resolution making process
- ◇ Government recognises importance of completing process to ensure all landowners benefits are distributed
- ◇ OSH continues to support Government processes to ensure speedy release of funds



SOCIAL RESPONSIBILITY

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



Member 2016/2017
STOXX
ESG LEADERS INDICES



**VOLUNTARY
PRINCIPLES**
ON SECURITY & HUMAN RIGHTS

EITI Extractive
Industries
Transparency
Initiative

IGP International
Association
of Oil & Gas
Producers





SOCIAL RESPONSIBILITY STRATEGY

COMMITTED TO SUSTAINABLE DEVELOPMENT

- ◇ 2020 Social Responsibility Strategy is integrated with OSH's strategic objectives and vision
- ◇ Prioritises initiatives with material business value and provides framework for optimising positive impact



SOCIAL RESPONSIBILITY

COMMITTED TO SUSTAINABLE DEVELOPMENT

◆ Shared value creation is a powerful way to achieve socio-economic outcomes. Through the Foundation, our strategic partnerships play a key role in providing practical solutions to development challenges in PNG.



Health

- Partnering with PHAs – Hela, Gulf, Southern Highlands
- Strengthening health services - Wok Bung Wantaim
- Delivering immunisations, TB and Malaria treatment
- Providing family planning & maternal health services
- Conducting outreach patrols
- Developing hospital infrastructure

Education

- Early childhood education through literacy libraries
- Scholarship programmes
- Grants and sponsorships
- School infrastructure
- Teacher support

Women's empowerment

- Addressing gender-based violence through tools and knowledge
- Bel isi PNG – addressing family and sexual violence
- Supporting family support centre in Hela Hospital
- Small grants schemes and champions of change

Local content

- Maximising involvement of local communities in business opportunities
- Supporting Lanco engagement and development
- Building local enterprises
- Women in sustainable agriculture program

Power and Infrastructure

- Infrastructure contributions through tax credit schemes - roads, hospital and school redevelopments
- Supporting PNG's electrification goals through gas-fired and biomass power

Community resilience

- Earthquake recovery, relief and restoration
- Climate change adaptation
- Drought relief support



MANAGING STRATEGIC ESG RISKS

OIL SEARCH ADOPTS PROACTIVE APPROACH TO UNDERSTANDING AND MANAGING OUR ENVIRONMENT, SOCIAL AND GOVERNANCE RISKS AND HAS STRATEGIES EMPLOYED FOR THEIR MANAGEMENT



- ◇ Committed to minimising impacts and upholding ethical business practices
- ◇ Conducted climate scenario testing which indicates long-term resilience and continued economic value generation in a range of decarbonisation scenarios, including a 2°C pathway:
 - ◆ Addendum to be released in 2020
- ◇ Climate change resilience reinforced by Carbon Tracker, which placed Oil Search in top quartile for resilience to financial transition risk
- ◇ Have an ongoing programme to assesses physical climate change risk which is focused on ensuring the resilience of our operations and project-impacted communities
- ◇ Updated our human rights impact assessment and due diligence processes to include all our activities including our supply chain
- ◇ Supported by highly experienced local teams to develop and operate our PNG assets responsibly



SOCIAL RESPONSIBILITY

EMPOWERING OUR EMPLOYEES

- ◇ Enhance our organisational capability to deliver through employee engagement and empowerment
- ◇ Build organisational competency and capacity by creating opportunities for learning and growth
- ◇ Celebrate diversity and inclusion through targeted programmes
- ◇ Citizen Development Programme - provide clear development and employment opportunities for high-performing PNG citizens
- ◇ Protect and improve health and wellbeing of employees and contractors.
- ◇ Champion causes that are meaningful to employees to improve their engagement with the Company



SOCIAL RESPONSIBILITY

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

3 GOOD HEALTH AND WELL-BEING

 Our work with the PHAs and through our Wok Bung Wantaim strategy, we contribute to strengthening the capacity of health services in PNG.

4 QUALITY EDUCATION

 Through our CDP, we contribute to increasing the number of PNG citizens who have the relevant skills, including technical and vocational skills for employment.

5 GENDER EQUALITY

 As a founding partner of the Bel isi initiative, we aim to address and potentially eliminate all forms of violence against all women.

17 PARTNERSHIPS FOR THE GOALS

 Our stakeholder engagement process builds on the experiences we have gained and enables us to promote effective public, private and civil society partnerships.

7 AFFORDABLE AND CLEAN ENERGY

 Through the POM Power Station and the PNG Biomass Project, we contribute to ensuring access to affordable, reliable and modern energy services.

13 CLIMATE ACTION

 Our PSRA work will help us understand and contribute to strengthening the resilience and adaptative capacity of communities to climate change impacts.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

 Our approach to transparency contributes to developing effective, accountable and transparent disclosures.

5 GENDER EQUALITY

 Through our diversity and inclusion strategy, we contribute to ensuring full and effective participation and equal opportunities for women at all leadership levels.

PORT MORESBY POWER STATION

LOWERING EMISSIONS AND ELECTRICITY COST FOR LOCALS



- ◇ Niu Power Ltd, 50:50 joint venture between Oil Search and Kumul Petroleum, has completed construction of 58MW gas fired power plant, located adjacent to PNG LNG plant site in Port Moresby
- ◇ Received generation licence from the State in 3Q19
- ◇ At full capacity, capable of supplying ~75% of average daily load
- ◇ Generates electricity from gas sourced from the PNG LNG Joint Venture, provides cleaner, lower cost fuel for power generation:
 - ◆ PNG Power Ltd (PPL) to realise >K90 million annual operating cost savings
 - ◆ Will reduce average power price per kWh on Port Moresby grid, benefitting commercial and domestic customers
 - ◆ Allows PPL to retire ageing Heavy fuel Oil (HFO) & Diesel fuelled power generation facilities, supporting emissions reduction
- ◇ Construction and commissioning of plant completed with zero safety incidents recorded and utilised a high level of local workforce

PNG BIOMASS: RENEWABLE ENERGY PROJECT

PROVIDING SUSTAINABLE ENERGY TO THE LOCAL COMMUNITY

- ◇ **PNG Biomass:** Renewable energy project in Markham Valley, PNG, to produce up to 40MW. Wholly owned by Oil Search
- ◇ **Components:** 30MWe biomass power plant with 16,000 hectares dedicated tree plantations, plus up to 17MWp solar farm and battery storage
- ◇ **Objectives:**
 - ◆ Increase electricity access
 - ◆ Contribute to climate change adaptation and resilience
 - ◆ Diversify and de-risk energy sector
 - ◆ Deliver significant local content
 - ◆ Demonstrate commitment to PNG
- ◇ **Off-taker:** 25-year Power Purchase Agreement with PNG Power (signed 2015, amending 2019)
- ◇ **Carbon credits:** Project expected to generate up to 4.1 million tonnes CO₂e offsets over 25-year life
- ◇ **Employment:** Creating 500 new local jobs and additional 400 local jobs during construction
- ◇ **Status:** Entered FEED 3Q16, targeting FID 1Q20



CREATING SHARED VALUE

***WHAT'S GOOD FOR PNG
IS ALSO GOOD FOR
OIL SEARCH***



**Oil Search
Foundation**



◇ **Why does Oil Search support the Foundation?**

- ◆ It's our social responsibility
- ◆ It's the right thing to do
- ◆ Creates shared value – what's good for PNG is also good for Oil Search

◇ **Who provides funding for OSF?**

- ◆ OSH provided **US\$64.2 million** from 2015-2020 to address health, women protection and empowerment and leadership and education programs in our PIAs
- ◆ OSH provided **US\$10.9 million** from 2016-2019 as a special grant for Hela Province to address key hospital and rural infrastructure needs
- ◆ OSH and its joint venture partners contributed and additional **US\$15.2 million** from 2015-2019
- ◆ OSF leveraged **US\$27.1 million** from other donors including the Australian Government, Global Fund, WHO, Santos and the PNG Government



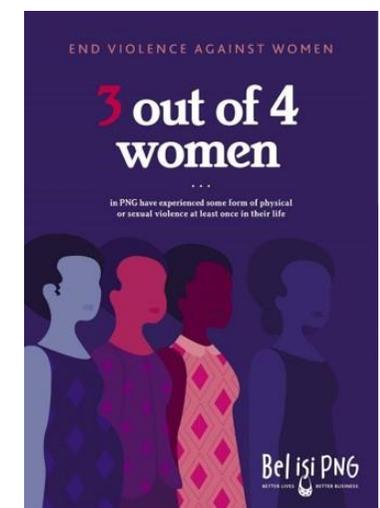
WHAT DO WE DO IN HEALTH

- ◇ Promote effective leadership and governance at all levels of the system
- ◇ Supported 633,500 vaccinations for women, men and children across our three Provinces since 2015
- ◇ Trained over 2,600 health workers to deliver quality services
- ◇ Funded and supported over 6,700 outreach visits to remote communities
- ◇ Supported over 14,000 women to deliver their babies safely in a health facility with a skilled health worker
- ◇ Provided 10,000 health services to 56 communities during and after the 2018 earthquake
- ◇ Built and refurbished wards and clinics and housing for staff and established the first accident and emergency building in Hela
- ◇ Procured essential medical equipment
- ◇ Kept malaria rates at pre elimination levels in our PIAs
- ◇ Distributed condoms and facilitated HIV testing
- ◇ Improved TB case detection and diagnosis



WHAT WE DO TO FACILITATE WOMEN'S PROTECTION AND EMPOWERMENT

- ◇ Empowering women through literacy opportunities
- ◇ Addressing family and sexual violence through an innovative Public Private Partnership approach (Bel isi PNG)
- ◇ Creating Champions of Change in our workforce so they can address social issues in their own villages
- ◇ Provided over 2,800 survivors with FSV services



GROWING THE PNG LEADERS OF TOMORROW

- ◇ Teaching children to read - 400 since 2018
- ◇ Building libraries/resource centres – at least one each year
- ◇ Building future leaders through scholarships – 33 scholarships funded to date
- ◇ Creating economic and employment opportunities for youth



RECOVERY WORK POST 2018 EARTHQUAKE

- ◇ Almost 100 water tanks rebuilt or replaced in health facilities, schools and churches
- ◇ Rebuilding of earthquake damaged buildings
- ◇ Procurement of equipment destroyed
- ◇ Re-establishing health services in remote areas
- ◇ Rehabilitated Habare literacy library in Hela and opened for services



APPENDIX

OIL SEARCH LIMITED | ARBN 055 079 868 | ASX: OSH | PNGX: OSH | US ADR: OISHY

www.oilsearch.com



Oil Search



2019 PRODUCTION OUTLOOK

Production	2019 Guidance ¹
Oil Search-operated production ^{2,3}	2.8 – 3.5 mmboe
PNG LNG	
LNG	108 – 115 bcf
Power	0.7 – 1.1 bcf
Liquids	3.0 – 3.3 mmboe
Total PNG LNG production	24 – 26 mmboe
Total Oil Search production	27 – 29 mmboe

◆ PNG LNG

- ◆ Curtailment of production resulting from issues with the mooring chain of the offshore liquids loading facility
- ◆ PNG LNG production preferenced during loading limitations

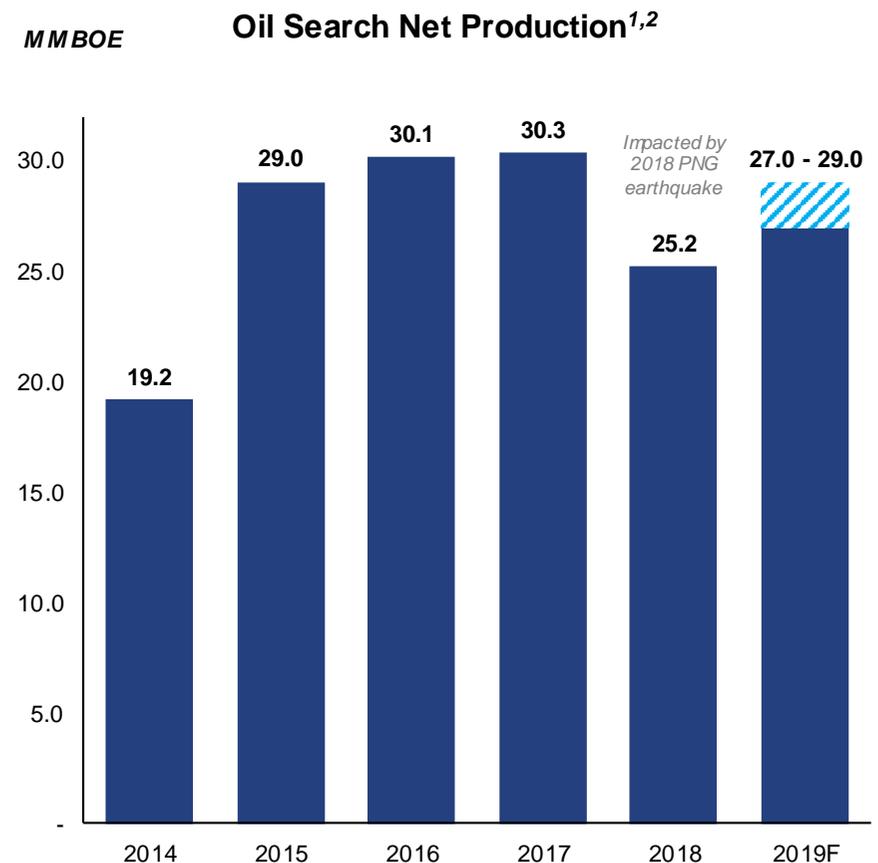
◆ Oil Search-operated

- ◆ Remains below pre-earthquake rates and impacted by the issues at the loading facility

¹ Numbers may not add due to rounding

² Gas volumes have been converted to barrels of oil equivalent using Oil Search specific conversion factor of 5,100 scf = 1 boe, which represents a weighted average, based on Oil Search's reserves portfolio, using actual calorific values of each gas volume at its point of sale

³ Includes SE Gobe gas sales



¹ LNG sales production as outlet of plant, post-fuel, flare and shrinkage

² Gas:Oil conversion rate from 2014 onwards: 5,100 scf = 1 barrel of oil equivalent

2019 FULL YEAR GUIDANCE

Operating Costs	Low	High
Production costs (US\$/boe)	12.00	13.00
Other operating costs (US\$m)	140	150
Depreciation & amortisation (US\$/boe)	12.00	13.00

- ◇ Unit operating costs impacted by lower 2019 production base, costs associated with repairs to the mooring buoy and lower insurance receipts for earthquake remediation
- ◇ Other operating costs increased marginally due to lower overhead recoveries
- ◇ Capital expenditure impacted by delays to FEED activities at PNG LNG and Papua LNG and adjusted work programmes on OSH-operated assets

Investment Expenditure (US\$m)	Low	High
Production	75	85
Development – oil & gas	25	30
<i>Exploration & evaluation</i>	<i>294</i>	<i>324</i>
<i>Alaska option exercise</i>	<i>450</i>	<i>450</i>
<i>Repsol farm-down (net)</i>	<i>(64)</i>	<i>(64)</i>
Total Exploration & evaluation	680	710
Other plant and equipment	30	40
Power	13	18
Total Investment Expenditure	823	883

PNG RESERVES^{1,2}

AS AT 31 DECEMBER 2018



Licence/Field	OSH Interest	Proven Reserves (1P)		Proven & Probable Reserves (2P)	
		Total Oil/Condensate ³ (mmbbls)	Total Gas ⁴ (bcf)	Total Oil/Condensate ³ (mmbbls)	Total Gas ⁴ (bcf)
PDL 2 (Kutubu)	60.0%	11.3	-	16.6	-
PDL 2/5/6 (Moran Unit)	49.5%	6.1	-	9.6	-
PDL 4 (Gobe)	10.0%	0.0	-	0.0	-
PDL 3/4 (SE Gobe) ⁵	22.3%	0.0	1.1	0.1	4.0
PDL 1 (Hides GTE) ⁶	16.7%	-	2.6	-	3.1
Oil Fields & Hides GTE Reserves		17.4	3.7	26.4	7.0
PNG LNG Project Reserves ⁵	29.0%	36.7	1,933.4	41.6	2,202.3
Total Reserves		54.1	1,937.1	68.0	2,209.3

Licence/Field		1C Contingent Resource		2C Contingent Resource	
PNG LNG Project Fields		-	-	1.6	60.0
Other PNG ⁷		-	-	56.4	4,473.0
Alaska ^{8,9}	25.5%	-	-	127.5	-
Total Resource		-	-	185.5	4,533.0

Please refer to notes on the following page

PNG RESERVES & RESOURCES NOTES



(1) Numbers may not add due to rounding.

(2) Kutubu and Moran oil fields proved Reserves (1P) and proved and probable (2P) Reserves are as certified by independent auditor Netherland, Sewell & Associates, Inc. (NSAI) in 2017. 1P and 2P PNG LNG Project Reserves are based on Contingent Resources as certified in 2016 by independent auditor, NSAI, adjusted for economic limit using Oil Search's corporate assumptions. Gobe Main and SE Gobe 1P and 2P Reserves are based on Oil Search 2018 technical estimates.

(3) Crude oil, and separator and plant condensates.

(4) For the PNG LNG Project, shrinkage has been applied to raw gas for the field condensate, plant liquids recovery, and fuel and flare.

(5) PNG LNG Project Reserves comprise the Kutubu, Moran, Gobe Main, SE Hedinia, Hides, Angore and Juha fields. Minor volumes associated with proposed domestic gas sales have been included as part of PNG LNG reserves. In addition, third party wet gas sales to the project at the Gobe plant outlet (inclusive of plant condensate) have been included for SE Gobe in 1P and 2P Reserves at the post-sales agreement field interest of 22.34%. SE Gobe estimates for gas are based on Oil Search 2018 technical estimates.

(6) Hides Reserves associated with the GTE Project under existing contract. Production volumes shown in this Reserves report are based on Oil Search's entitlement in PDL 1 (16.67%).

(7) Other gas, oil and condensate Resources comprise the Company's other PNG fields including Elk-Antelope, SE Mananda, Juha North, P'nyang, Kimu, Uramu, Barikewa, Iehi, Cobra, Mananda, Flinders, and Muruk and may also include Resources beyond the current economic limit of producing oil and gas fields. These gas Resources may include fuel, flare, and shrinkage depending on the choice of reference point.

(8) Alaskan gas, oil, and condensate Resources comprise the Company's share in Alaskan assets, incorporating the Nanushuk and satellite reservoirs in the Pikka Unit.

(9) Pikka Unit resource will be updated to reflect increased ownership and latest resource view on FEED entry

OIL FIELD INTERESTS

Permit	Interest
PDL 2 (Agogo, Kutubu, Moran SW)	Oil Search: 60.05%* ExxonMobil: 14.51% JX Nippon: 18.69% Petroleum Resources Kutubu Limited: 6.75%
PDL 5 (Moran)	ExxonMobil: 36.81%* Oil Search: 40.69% Petromin: 20.50% Petroleum Resources Moran Limited: 2.00%
PDL 6 (Moran NW)	Oil Search: 71.07%* ExxonMobil: 18.36% JX Nippon: 8.58% Petroleum Resources North West Moran Limited: 2.00%
SE Gobe Unit (PDL 3/4)	Oil Search: 22.34%* Kumul Petroleum: 21.40% ExxonMobil: 7.72% Petroleum Resources Gobe Limited: 2.00% Santos: 7.45% JX Nippon: 39.09%
Gobe Main (PDL 4)	Oil Search: 10.00%* ExxonMobil: 14.52% JX Nippon: 73.48% Petroleum Resources Gobe Limited: 2.00%

*Denotes operatorship

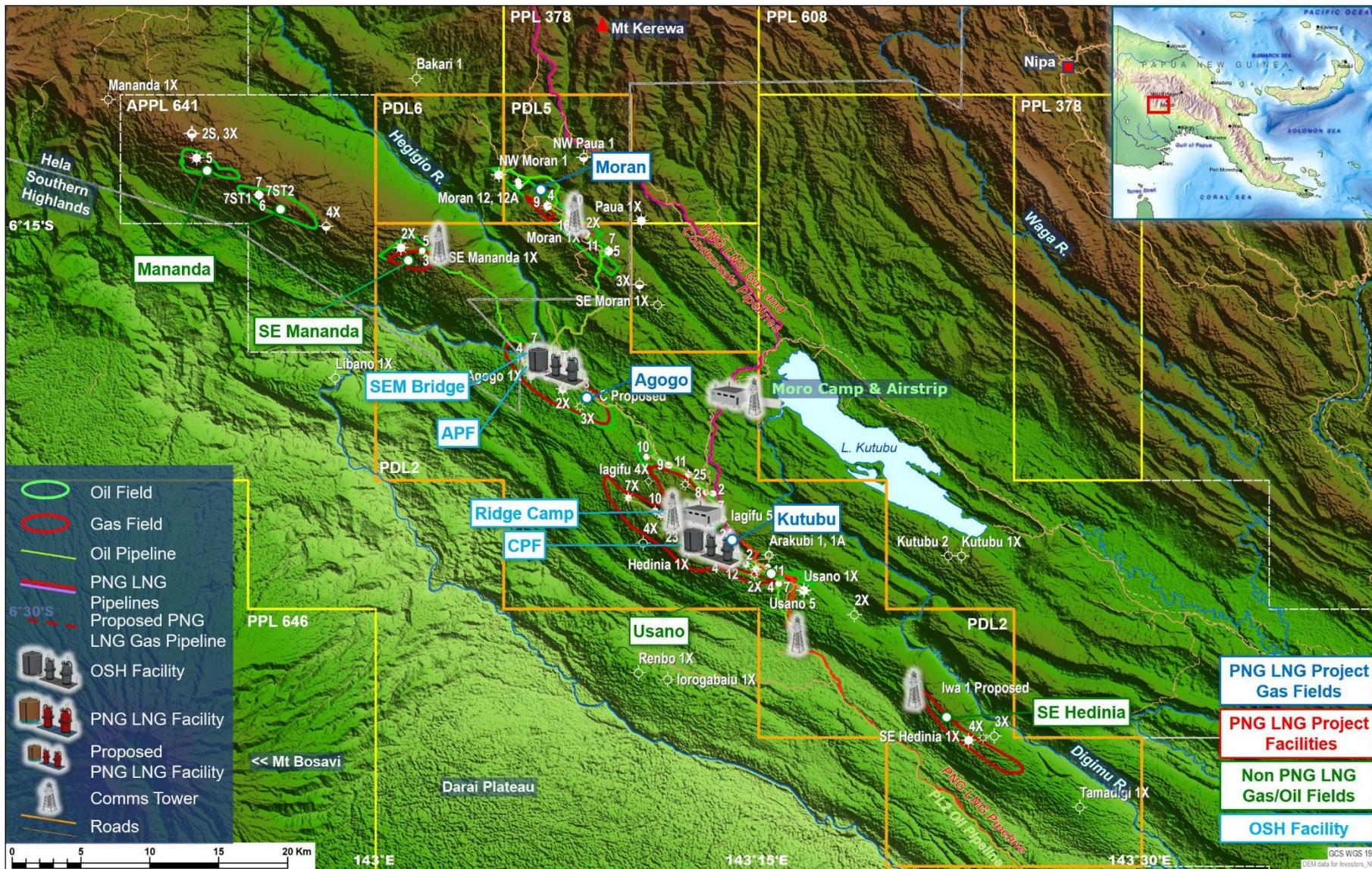
PNG PERMITS





Oil Search

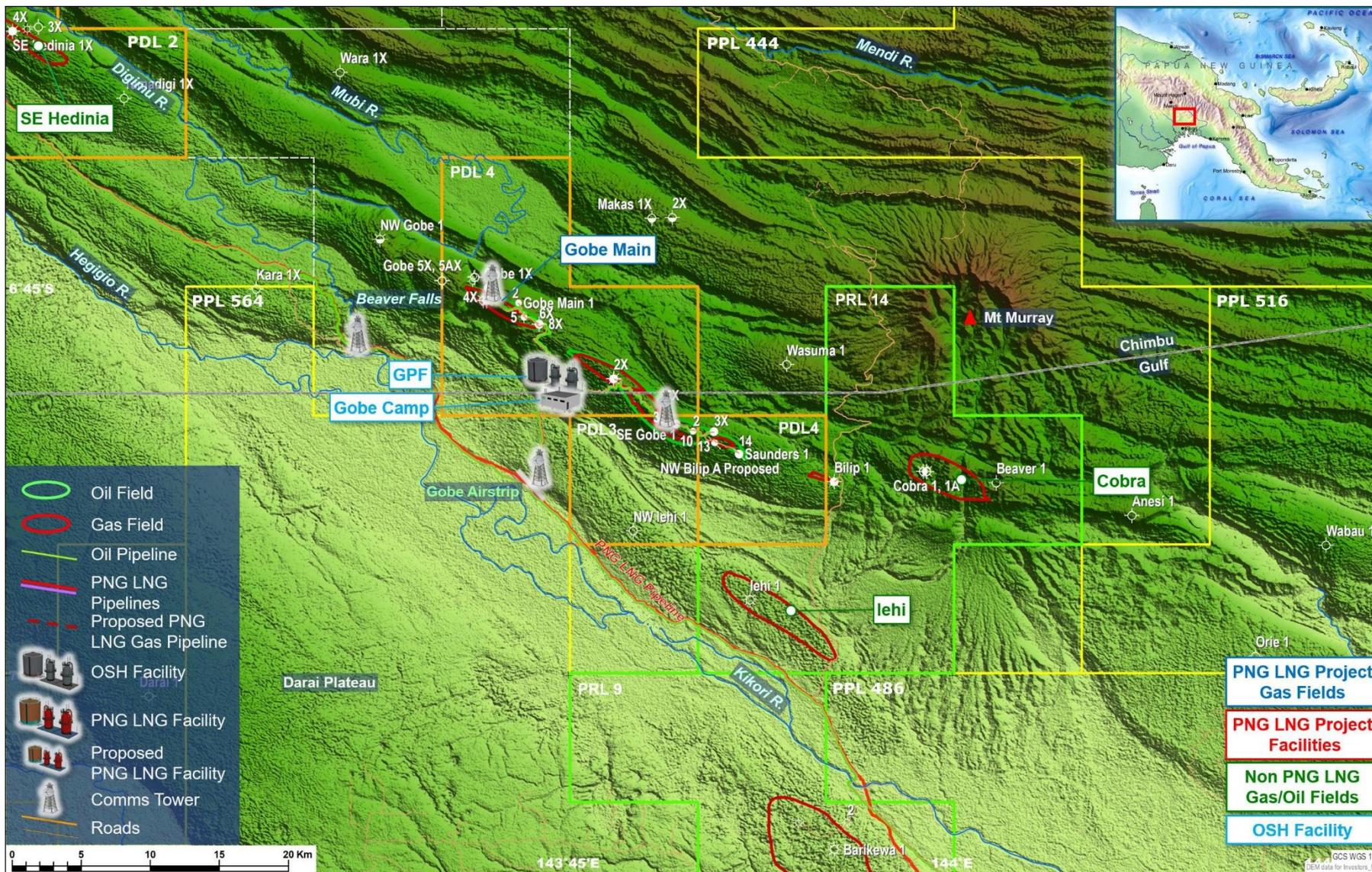
PNG OPERATIONS – KUTUBU REGION





Oil Search

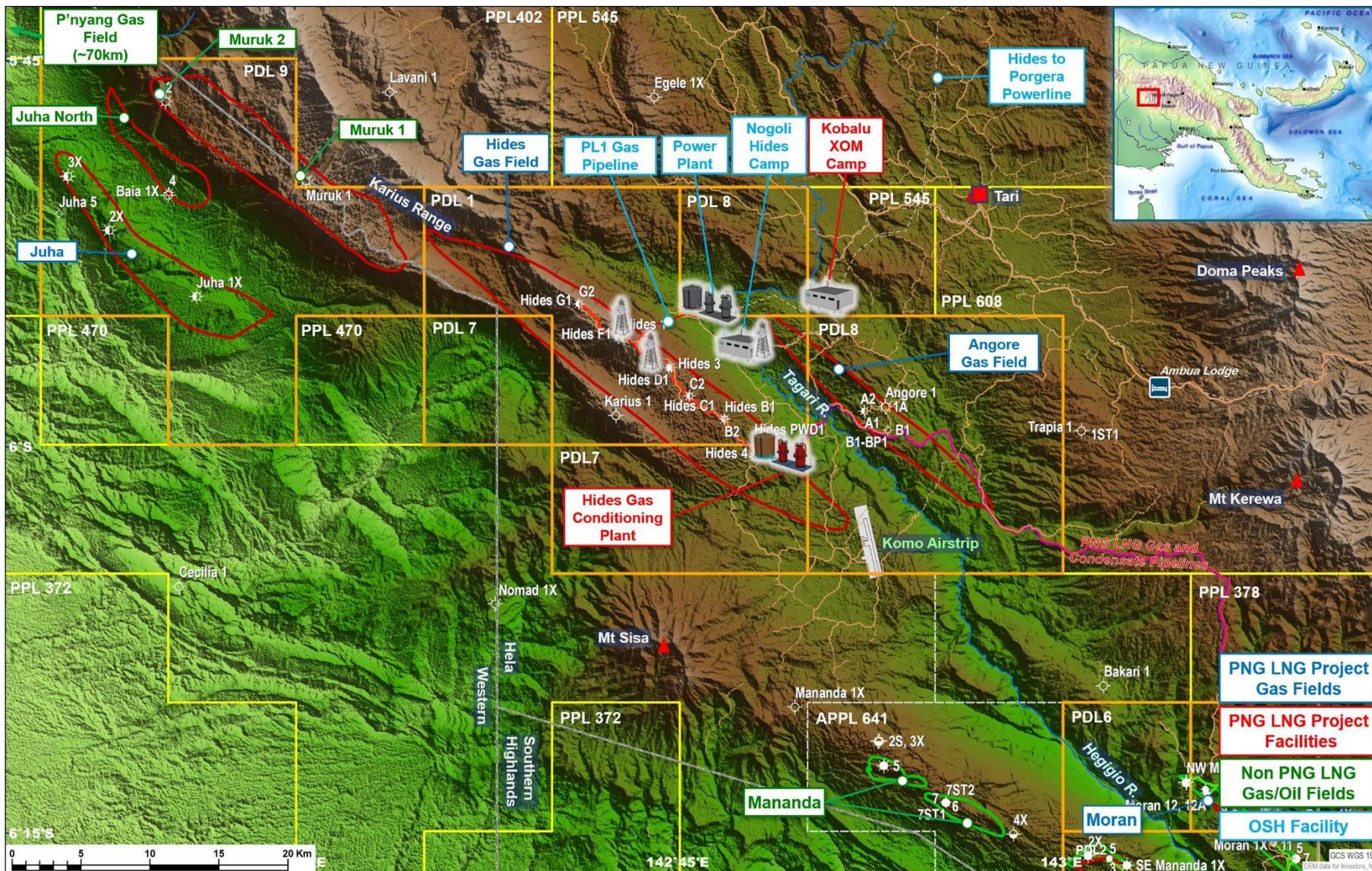
PNG OPERATIONS – GOBE REGION





Oil Search

PNG OPERATIONS – HIDES REGION





Oil Search

PNG OPERATIONS – ELK/ANTELOPE

